

# 2022

## ANNUAL FINANCIAL REPORT

### Michigan Department of Transportation



*Fiscal Year Ended September 30, 2022*



# **MICHIGAN DEPARTMENT OF TRANSPORTATION**

## **ANNUAL FINANCIAL REPORT**

Fiscal Years Ended September 30, 2022 & 2021

Prepared by:

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Mission: Serving and connecting people, communities, and the economy through transportation.

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**MICHIGAN DEPARTMENT OF TRANSPORTATION  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**Statements and schedules are rounded to thousands of dollars. Because of this, they may not add to the totals.**



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
**DEPARTMENT OF TRANSPORTATION**  
LANSING

BRADLEY C. WIEFERICH, P.E.  
ACTING DIRECTOR

April 26, 2023

State Transportation Commission  
P.O. Box 30050  
Lansing, Michigan 48909

Bradley C. Wieferich, Acting Director  
Michigan Department of Transportation  
425 W. Ottawa  
Lansing, Michigan 48913

Dear State Transportation Commission and Acting Director Wieferich:

We are pleased to present the Annual Financial Report for the Michigan Department of Transportation (MDOT) for the fiscal years (FY) ending September 30, 2021 and 2022. This report was prepared by the Bureau of Finance and Administration, which is responsible for both the accuracy of the data and the completeness and fairness of the presentation. The data is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of MDOT's operations.

This report is following the State of Michigan Financial Management Guide, which requires state agencies issuing financial reports to be consistent with the State of Michigan Annual Comprehensive Financial Report.

### **FINANCIAL UPDATE**

State revenues related to motor fuel taxes and registration have stabilized since the pandemic-related decreases. MDOT continues to monitor the impact that electric vehicles have on our revenue. On the Federal side, Congress passed the Infrastructure, Investment and Jobs Act (IIJA), which provides MDOT's annual apportionments and also creates the opportunity to apply for discretionary funding targeted to specific programs. MDOT is working with our Federal, Local and State partners to ensure that we leverage those funds to the fullest extent.

On January 30, 2020 the State Transportation Commission authorized the issuance and sale of up to \$3.5 billion in State of Michigan State Trunk Line Fund bonds. This funding will rebuild major freeways and bridges in the State's most heavily trafficked corridors. As of the end of FY 2022, MDOT has issued \$1.6 billion in bonds for the Governor's Rebuilding Michigan Program.

Fiscal year 2021 marked the first time that MDOT received a distribution from the Michigan Regulation and Taxation of Marihuana Act. The revenue received during FY 2021 related to the Act totaled \$49 million and the total received in FY22 increased to \$69 million.

The following table summarizes the changes, in millions, from FY 2021 to FY 2022 in the various revenue sources:

**Revenue source table**

REVENUE SOURCE	FY 2022	FY 2021	Change
Michigan Transportation Fund			
Motor Vehicle Registration	\$1,403	\$1,400	\$3
Gasoline, Diesel and Alternative fuel taxes	\$1,434	\$1,354	\$80
Motor Vehicle Title Fees	\$36	\$37	(\$1)
Income Tax Redirection	\$600	\$600	\$0
Marihuana Tax	\$69	\$49	\$20
State Trunk Line Fund			
Local Agencies	\$22	\$34	(\$12)
Federal Agencies	\$1,056	\$853	\$203
Licenses and Permits	\$17	\$7	\$10
Comprehensive Transportation Fund			
Public Transportation Services	\$257	\$249	\$8
Federal Agencies	\$87	\$75	\$12
Motor Fuel Taxes	\$139	\$93	\$46
State Aeronautics Fund			
Aviation Fuel Tax	\$14	\$9	\$5
Federal Agencies	\$179	\$194	(\$15)

**PROGRAM OVERVIEW**

MDOT's Transportation Program supports the creation of jobs, growth of the economy, preservation of our environment, the safety and security of the transportation system, and implements the direction set by the State Transportation Commission. In FY 2022, MDOT was confronted with increased project costs due to inflation, constrained budgets, and an aging infrastructure.

The Capital Program provided Michigan travelers with approximately 1,469 lane miles of improved roads and 260 rehabilitated and maintained bridges. Additionally, MDOT managed good and fair roads by extending the life on about 637 lane miles of pavement through the Capital Preventive Maintenance Program. With the FY 2022 Highway Program investment, MDOT continued to positively influence Michigan's economy by supporting 36,829 jobs.

The FY 2022 Highway Program invested \$3.0 billion to maintain the approximately 9,700 route mile (32,000 lane miles) state trunkline system, including pre-construction phases (project scoping, environmental clearance, design, and right-of-way acquisition), construction projects and other miscellaneous programs. Highlights of the FY 2022 Highway Program include pavement preservation activities, including road rehabilitation and reconstruction and capital preventive maintenance totaling \$1.843 billion. Bridge preservation activities, including bridge rehabilitation, reconstruction and bridge capital preventive maintenance, totaling \$428 million. Routine maintenance activities totaling an estimated \$426 million; this includes pothole filling, snow plowing, sweeping, and grass cutting. The rest of the Highway Program included a combined \$346 million between Trunkline Modernization, System Operations, Traffic and Safety, and other miscellaneous programs.

MDOT continued to focus on the preservation of existing public transportation services. This was done by distributing \$196.8 million in Comprehensive Transportation Fund (CTF) monies and allocating \$72.3 million in federal operating, capital, and emergency relief funds for local transit operations. Also allocated was \$22.6 million CTF to match federal capital funds of \$90.4 million. Additionally, OPT provided \$2.6 million in 100% state capital for transit ferryboat and bus replacements, and \$9.3 million in state funds for service initiatives around the state for: the Detroit New Center Intermodal Facility (NCIF) project; a collaborative pilot for coordinating regional transit service to promote cross-boundary movement between the Capital Area Transit Authority (CATA), Clinton Area Transit System, and the Eaton County Transportation Authority; automated buses for deployment for a variety of applications by a consortium of public transit agencies; as well further funding coordinated mobility within Calhoun County.

Funding for intercity services was provided at \$2.0 million from the CTF and \$16.7 million in federal operating, capital, and emergency relief funds to maintain intercity bus services in nearly 101 Michigan communities on 33 routes to enhance both customer and carrier safety. Customer service and safety were also the focus of OPT/MDOT's ongoing safety certification of private motor bus carriers as required in P.A. 432. Those services were provided to 148 carriers and 1,314 vehicles.

MDOT made targeted capital investments designed to maintain efficient freight service on the 530 miles of state-owned freight rail lines operated, under contract, by four railroad companies. Several projects were undertaken to help ensure continued rail access to shippers and enhance the safety and efficiency of the lines. MDOT invested over \$8 million in these lines during FY2022. Through the Freight Economic Development Program, MDOT approved nine projects, investing nearly \$8.5 million to provide rail access for new and expanding businesses at locations across the state. MDOT also provided \$500,000 in legislatively mandated operating assistance to the Detroit-Wayne County Port Authority for administrative and marketing expenditures.

MDOT provided funding for 28 grade crossing safety enhancement projects on roads under county, city, or village jurisdiction and 20 crossing projects on state trunklines, investing a total of over \$8.6 million in dedicated federal and state crossing safety funds in the interest of motorist safety. An additional 48 projects were approved for funding under the Local Grade Crossing Surface Improvement Program; MDOT's 60% project share totaled \$3.4 million.

State funds were also used to support intercity passenger rail service to 22 Michigan station communities and improve the state-owned accelerated rail corridor, all in an effort to enhance mobility and spur economic development along Michigan's passenger rail corridors. MDOT distributed \$19 million in CTF monies to support passenger rail operations along the Wolverine, Pere Marquette and Blue Water routes. This effort was again assisted in FY2022 by the existence of federal pandemic relief dollars awarded to Amtrak that served as credits to the states. In addition, MDOT continued to invest CTF dollars in maintenance activities and infrastructure upgrades to benefit both passengers and freight users along MDOT's 135-mile accelerated rail corridor between Kalamazoo and Dearborn. Investments totaling nearly \$34 million supported efforts to maintain a state of good repair and, together with federal grant dollars, set the stage for higher-speed service and reduced passenger travel times. Capital projects during FY2022 included installing new rail, ties, and ballast and continuing a large bridge replacement project.

MDOT is overseeing the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) and American Rescue Plan Act (ARPA) Grants provided to 94 Michigan airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic for a total of \$482.5 million in economic relief. Grants under the CARES, CRRSAA and ARPA provided eligible airports with resources needed to maintain operations during times of reduced aviation activity as a result of the pandemic. With the entirety of eligible costs being reimbursed by the Federal Aviation Administration at a rate of 100%, these grants required no state or local match.

The Federal Aviation Administration (FAA) Airport Improvement Program (AIP) enables projects to be undertaken at Michigan airports to improve aviation safety, preserve or improve the existing infrastructure, enable purchase of airfield equipment, improve or construct new facilities at airports, and support local economic growth by increasing the capacity of airport facilities. MDOT oversaw \$105.3 million in 2022 AIP Grant funding; \$76.9 million for 15 of Michigan's primary airports and \$28.4 million for 26 of Michigan's general aviation airports. MDOT remains committed to the preservation of current assets with the goal of 100 percent of the primary runways at Tier One airports with good or fair pavement. Recent inspections reveal 90 percent of the runways (measured with newer, more stringent criteria) met the good or better pavement criteria.



## **CONCLUSION**

During the year, \$6.0 billion was expended from all revenue sources to address Michigan's transportation needs. MDOT strives to make wise investment decisions with its limited resources to maximize the results achieved. This has fostered many innovative ideas in MDOT and will undoubtedly promote even more in the future.

We wish to express our appreciation to all the individuals whose dedicated efforts made the preparation of this report possible. Their combined efforts have produced a report that will enable decision-makers and concerned citizens to better understand and evaluate MDOT's financial condition.

Sincerely,

E-SIGNED by PATRICK MCCARTHY  
on 2023-04-26 13:04:40 EDT

Patrick McCarthy, CPA  
Director  
Bureau of Finance and Administration

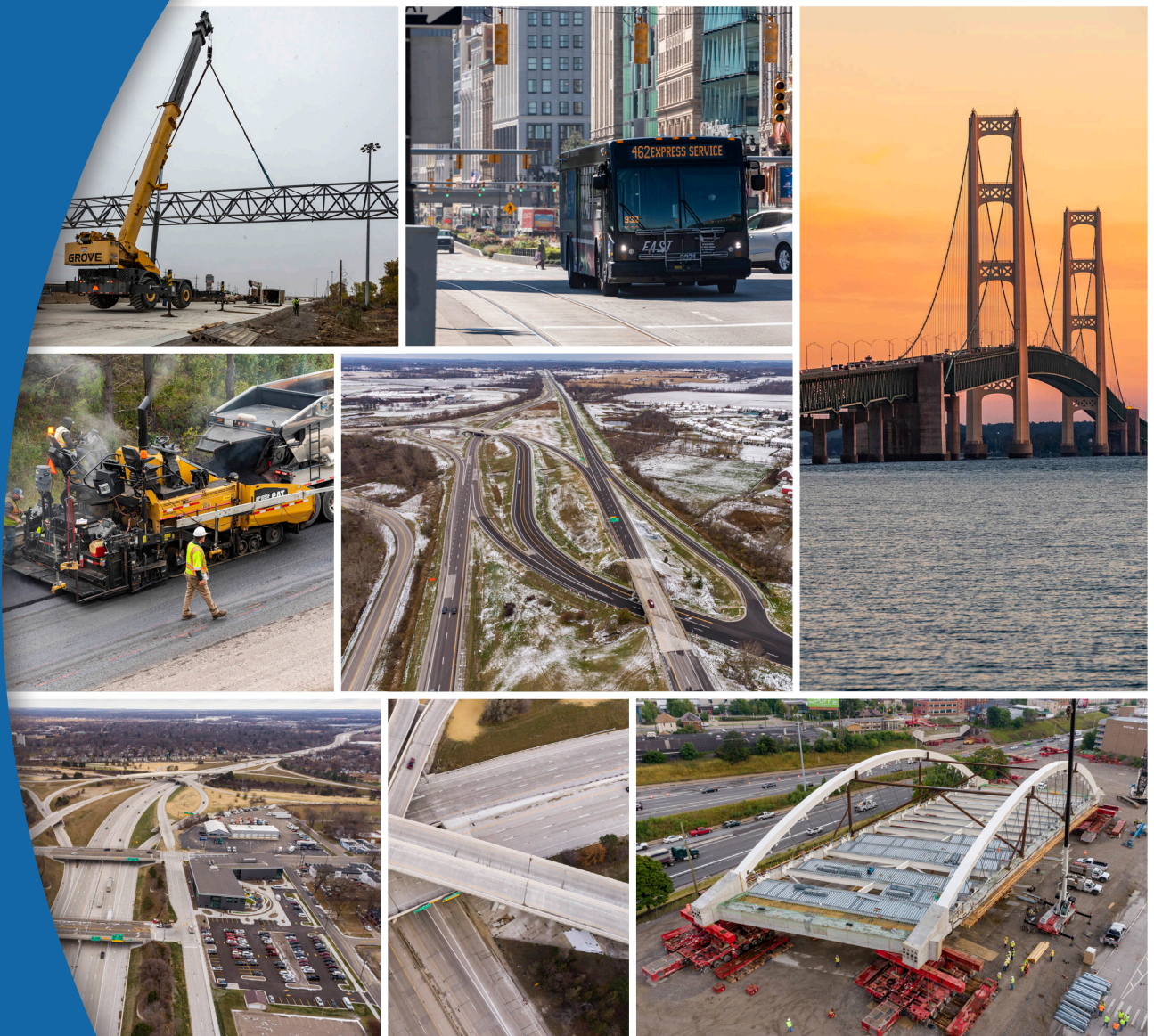


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# 2022

## ANNUAL FINANCIAL REPORT

### Financial Section





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**COMBINED FINANCIAL STATEMENTS – ALL FUND TYPES**

**NOTES TO FINANCIAL STATEMENTS**

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINED BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS- BY FUND TYPE**  
SEPTEMBER 30, 2022 and 2021  
(In Thousands)

GOVERNMENTAL FUND TYPES

	SPECIAL REVENUE		DEBT SERVICE	
	2022	2021	2022	2021
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 3,817	\$ 3,287	\$ -	\$ -
Equity in Common Cash	618,186	394,150	2	38
Receivables:				
Taxes, interest, and penalties (at net)	137,071	127,801	-	-
Other funds	48,942	48,543	-	-
Component Units	-	-	-	-
Federal aid	39,936	40,397	-	-
Local units	49	615	-	-
Inventories	-	-	-	-
Other Current Assets	7,836	7,986	-	-
Total Current Assets	855,838	622,779	2	38
Noncurrent Assets:				
Receivables:				
Taxes	3,873	3,772	-	-
Federal aid	-	-	-	-
Local units	-	-	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	-	-	-	-
Total Noncurrent Assets	3,873	3,772	-	-
Total Assets	\$ 859,710	\$ 626,551	\$ 2	\$ 38
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts payable	458,712	328,512	2	8
Contract reserve payable	-	-	-	-
Due to other funds and Components	39,060	34,239	-	-
Amounts held for others	-	-	-	-
Unearned revenue	1	2	-	-
Total Current Liabilities	497,773	362,752	2	8
Long-Term Liabilities:				
Unearned revenue	1	3	-	-
Total Long-Term Liabilities	1	3	-	-
Total Liabilities	497,774	362,755	2	8
<b>DEFERRED INFLOWS OF RESOURCES</b>	21,208	21,959	-	-
Fund Balance:				
Nonspendable	-	-	-	-
Restricted	340,728	241,837	-	30
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	340,728	241,837	-	30
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 859,710	\$ 626,551	\$ 2	\$ 38

The accompanying notes are an integral part of the financial statements.

CAPITAL PROJECTS		TOTALS	
2022	2021	2022	2021
\$ 55	\$ 24	\$ 3,873	\$ 3,312
2,569,200	2,917,635	3,187,388	3,311,823
517	513	137,588	128,314
36,373	30,930	85,314	79,474
1,598	935	1,598	935
255,984	210,940	295,920	251,337
103,288	104,561	103,337	105,176
13,734	19,906	13,734	19,906
12,154	8,017	19,991	16,004
2,992,903	3,293,462	3,848,742	3,916,280
1	0	3,873	3,773
-	-	-	-
49,000	50,437	49,000	50,437
-	-	-	-
-	-	-	-
10,726	-	10,726	-
59,726	50,437	63,599	54,210
\$ 3,052,629	\$ 3,343,900	\$ 3,912,341	\$ 3,970,489
\$ -	\$ -	\$ -	\$ -
481,455	400,776	940,168	729,296
-	-	-	-
48,871	47,777	87,931	82,016
-	-	-	-
1,765	4,697	1,766	4,699
532,090	453,251	1,029,865	816,011
11	14	12	16
11	14	12	16
532,101	453,265	1,029,877	816,028
11,279	0	32,487	21,960
13,734	19,906	13,734	19,906
2,495,515	2,870,729	2,836,243	3,112,596
-	-	-	-
-	-	-	-
2,509,249	2,890,635	2,849,977	3,132,502
\$ 3,052,629	\$ 3,343,900	\$ 3,912,341	\$ 3,970,489

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS- BY FUND TYPE**  
FISCAL YEARS ENDED SEPTEMBER 30, 2022 and 2021  
(In Thousands)

	GOVERNMENTAL FUND TYPES			
	SPECIAL REVENUE		DEBT SERVICE	
	2022	2021	2022	2021
<b>REVENUES</b>				
Taxes	\$ 3,576,317	\$ 3,446,698	\$ -	\$ -
Federal aid	86,527	74,678	-	-
Local participation	-	-	-	-
Services	4,958	4,787	-	-
License and permits	36,159	37,568	-	-
Interest earnings	3,413	532	-	-
Non-operating revenue-bridges	-	-	-	-
Miscellaneous	6,148	9,875	3	3
Total Revenues	3,713,522	3,574,137	3	3
<b>EXPENDITURES</b>				
Administration and Operations:				
Administration and maintenance	44,329	25,041	-	-
Bus operating assistance grants	202,165	222,502	-	-
Other grants	2,008,130	1,946,158	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	4	-	-	-
Costs of issuance	-	-	3	190
Bond principal retirement	-	-	150,865	143,160
Bond interest and fiscal charges	-	-	96,975	70,384
Total Administration and Operations	2,254,629	2,193,701	247,843	213,735
Capital Outlay:				
Roads and bridges	-	-	-	-
Other capital outlay	25	-	-	-
Total Capital Outlay	25	-	-	-
Total Expenditures	2,254,654	2,193,701	247,843	213,735
Excess of Revenues Over (Under) Expenditures	1,458,868	1,380,436	(247,840)	(213,732)
<b>OTHER FINANCING SOURCES</b>				
Capital Lease Acquisitions	-	-	-	-
Proceeds from sale of capital assets	-	29	-	-
Proceeds from bond issues other than refunding	-	-	-	23
Michigan Transportation Fund distribution	256,853	249,115	-	-
Grants and transfers from other funds	70,785	50,502	247,809	212,605
Proceeds from bonds and notes issued	-	-	-	54,150
Premium on bonds issued	-	-	-	15,913
Total Other Financing Sources	327,638	299,645	247,809	282,690
<b>OTHER FINANCING USES</b>				
Michigan Transportation Fund distribution	1,456,096	1,412,185	-	-
Grants and transfers to other funds	241,061	238,644	-	-
Discount on bonds issued	-	-	-	-
Debt service	10,900	10,904	-	-
Payment to refunded bond escrow agent	-	-	-	68,958
Total Other Financing Uses	1,708,058	1,661,733	-	68,958
Excess of Other Financing Sources Over (Under) Other Financing Uses	(1,380,419)	(1,362,088)	247,809	213,732
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	78,449	18,348	(30)	-
Fund balances-Beginning of fiscal year	Note 1 262,279	223,489	30	30
Fund balances-End of fiscal year	\$ 340,728	\$ 241,837	\$ -	\$ 30

Note 1: The beginning fund balance for the Capital Projects fund was restated in FY21.

Note 2: Beginning Fund Balance of FY22 CTF (Special Revenue) was restated by \$20,441,974.88

The accompanying notes are an integral part of the financial statements.



		TOTALS (Memorandum Only)	
CAPITAL PROJECTS			
2022	2021	2022	2021
\$ 13,692	\$ 9,083	\$ 3,590,009	\$ 3,455,780
1,572,696	1,422,388	1,659,223	1,497,066
21,731	34,078	21,731	34,078
3,844	3,657	8,802	8,445
17,839	7,821	53,997	45,388
15,832	2,233	19,245	2,764
3,433	3,297	3,433	3,297
76,509	58,368	82,660	68,246
1,725,574	1,540,924	5,439,099	5,115,064
765,596	696,701	809,926	721,742
-	-	202,165	222,502
219,294	193,499	2,227,424	2,139,656
107,763	137,758	107,763	137,758
3,246	3,147	3,246	3,147
338,748	327,052	338,748	327,052
2,706	1,589	2,710	1,589
-	-	3	190
-	-	150,865	143,160
-	-	96,975	70,384
1,437,353	1,359,746	3,939,825	3,767,181
2,068,219	1,685,519	2,068,219	1,685,519
10,685	4,589	10,710	4,589
2,078,904	1,690,108	2,078,929	1,690,108
3,516,257	3,049,854	6,018,754	5,457,290
(1,790,683)	(1,508,930)	(579,654)	(342,226)
248,608	204,803	248,608	204,803
2,095	846	2,095	874
-	-	-	23
1,199,243	1,163,070	1,456,096	1,412,185
252,383	256,037	570,978	519,144
-	799,977	-	854,127
-	208,645	-	224,558
1,702,329	2,633,379	2,277,777	3,215,715
-	-	1,456,096	1,412,185
56,122	60,804	297,184	299,449
-	-	-	-
236,910	201,701	247,809	212,605
-	-	-	68,958
293,032	262,505	2,001,089	1,993,197
1,409,297	2,370,874	276,687	1,222,518
(381,386)	861,944	(302,967)	880,292
2,890,635	2,028,691	3,152,944	2,252,210
\$ 2,509,249	\$ 2,890,635	\$ 2,849,977	\$ 3,132,502



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**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**Note 1: Significant Accounting Policies**

A. Reporting Entity

These financial statements report the financial activity of transportation related funds administered by the Michigan Department of Transportation (MDOT). MDOT administered funds by classification are:

Special Revenue

Michigan Transportation Fund  
Comprehensive Transportation Fund

Debt Service

Combined State Trunkline Bond and Interest Redemption Fund  
Combined Comprehensive Transportation Bond and Interest Redemption Fund

Capital Projects

State Aeronautics Fund  
State Trunkline Fund  
Transportation Related Trust Fund  
Blue Water Bridge Fund  
Combined State Trunkline Bond Proceeds Fund  
Combined Comprehensive Transportation Bond Proceeds Fund

The funds above are a part of the State of Michigan reporting entity and are reported in the State of Michigan Annual Comprehensive Financial Report (SOMACFR). The SOMACFR provides general disclosures regarding summary of significant accounting policies, treasurer's common cash, pension benefits, compensated absences (annual leave and sick leave accumulations), general long-term obligations, interfund receivables and payables, contingencies, and commitments.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**B. Authorities not Included as Part of Reporting Entity**

Mackinac Bridge Authority

The Mackinac Bridge Authority (MBA), a component unit of the State of Michigan, is reported in the SOMACFR and is not reported in these statements. The MBA issues its own audited financial statements. Further information regarding the relationship between MDOT and the MBA is provided in Note 9 of this report.

Sault Ste. Marie Bridge Authority

MDOT and the Federal Bridge Corporation Limited (FBCL), a Canadian Crown Corporation, share ownership of the International Bridge. The Sault Ste. Marie Bridge Authority (SSMBA) is an international non-profit entity with eight members, four from Michigan and four from Canada, created by an intergovernmental agreement to set policy and oversee bridge operations. The Agreement became effective September 1, 2009 and automatically renews each successive ten-year period after September 30, 2017 and thereafter unless, one year prior to the renewal date, an Owner gives written notice to the other Owner that it elects not to renew the Agreement. The Agreement is in effect until September 30, 2027.

The International Bridge Administration (IBA) is a special administrative entity within MDOT created to carry out the policy decisions of the SSMBA, and under the direction and supervision of MDOT, to enter into contracts to manage and operate the bridge on a daily basis. The IBA is made up of MDOT employees who are responsible for the administration, operation, repair, and improvement of the International Bridge. Revenue from bridge tolls covers the expenses of the IBA.

The SSMBA issues its own audited financial statements and is not included as part of these statements. The SSMBA is not considered a component unit of the State of Michigan and is not included in the SOMACFR. A summary of the financial information for the SSMBA for fiscal year ending December 31, 2021 and fiscal year ending December 31, 2020 follows (In Thousands):

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Assets	\$8,868	\$5,569
Liabilities	4,434	2,818
Total Fund Balance	4,434	2,751
Total Revenues and Other Sources	8,237	3,712
Total Expenditures and Other Uses	6,554	5,905
Excess of Revenues and Other Sources		
Over (Under) Expenditures and Other Uses	1,683	(2,192)

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

C. Basis of Presentation

The financial transactions of MDOT are recorded in individual funds in the Statewide Integrated Governmental Management Applications (SIGMA). The various transportation funds are combined in the SOMACFR into fund types described as follows:

Governmental Fund Types

Special Revenue Funds: This fund type accounts for specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds: This fund type accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds: This fund type accounts for resources used for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude capital-related outflows financed by proprietary or trust funds.

D. Basis of Accounting

The financial statements contained in this report are prepared on the modified accrual basis of accounting. The modified accrual basis of accounting, fiscal year ends, and accounting practices are explained in more detail in the SOMACFR.

E. Calculation Practice

Amounts recorded in MDOT's financial statements are rounded to thousands of dollars, unless otherwise noted. Because of this, the amounts may not add to the totals.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

**Note 2: Equity in Common Cash**

Custodial Credit Risk: All of MDOT's deposits are managed by the State Treasurer. "Equity in common cash" represents an interest in the State's common cash pool, which is used by most State funds as a short-term investment vehicle. MDOT's deposits are included in the State of Michigan equity in common cash.

MDOT's common cash balances were as follows (In Thousands) as of September 30:

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Equity in Common Cash	\$618,186	\$394,150	\$ 2	\$ 38	\$2,569,200	\$2,917,635

The balances for the special revenue funds averaged approximately \$522.6 million and \$432.8 million and the balances for the capital projects funds averaged approximately \$2,587.8 million and \$1,831.1million during fiscal years 2022 and 2021, respectively.

The Governmental Accounting Standards Board (GASB) requires certain disclosures related to custodial credit risk for deposits. Custodial credit risk for deposits is the risk that, in the event of a bank failure, MDOT's deposits will not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are uncollateralized, collateralized with securities held by pledging financial institutions, or collateralized with securities held by the pledging financial institution's trust department or agent but not in MDOT's name. The State Treasurer evaluates each financial institution it deposits common cash funds with and assesses the level of risk of each institution. The State Treasurer's policy requires all financial institutions holding the State's money must pledge collateral equal to the amount of the account balance for all demand and time deposits, to secure the State's funds. Only those institutions with an acceptable estimated risk are used as depositories.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 3: Current Receivables**

A. Allowance for Doubtful Accounts

Current receivables recorded in the financial statements represent amounts due to MDOT as of September 30, 2022 and 2021 and are expected to be collected within 12 months. Receivables not due for collection within 12 months are classified as noncurrent assets with an offsetting deferred revenue. Due to the uncertainty associated with contested receivables in litigation or pending litigation, these receivables are recorded in an allowance for doubtful accounts, with the net amount reported in the financial statements. Receivables referred to Treasury for collection will no longer be classified as a receivable with a corresponding entry to allowance for doubtful accounts but will instead be written-off as uncollectible at the time of referral.

	<u>Contested Receivables</u> (In Thousands)	
	<u>2022</u>	<u>2021</u>
State Trunkline Fund	\$ 1,018	\$ 1,147
Comprehensive Transportation Fund	-	-
Total Allowance for Doubtful Accounts	<u>\$ 1,018</u>	<u>\$ 1,147</u>

B. Taxes Receivable

In the Michigan Transportation Fund, the gross amount of current taxes receivable, \$147.6 million and \$146.0 million, less allowances for uncollectible receivables, \$22.4 million and \$31.1 million result in net taxes receivable of \$125.2 million and \$114.8 million, being recorded for motor fuel taxes due to the fund as of September 30, 2022 and 2021, respectively.

In the State Aeronautics Fund, the gross amount of current taxes receivable, \$3.2 million and \$4.9 million, less allowances for uncollectible receivables, \$2.6 million and \$4.4 million result in net taxes receivable of \$0.5 million and \$0.5 million, being recorded for aviation fuel taxes due to the fund as of September 30, 2022 and 2021, respectively.

The reporting of gross receivable net of related allowance for uncollectible accounts is consistent with the treatment of other taxes receivable reported in the SOMACFR.

C. Federal Highway Administration (FHWA) Receivable

MDOT recorded federal aid receivables in the State Trunkline Fund, State Trunkline Bond Proceeds Fund, and Transportation Related Trust Fund totaling \$171.3 million and \$151.9 million for the fiscal years ending September 30, 2022 and 2021, respectively. No noncurrent federal aid receivables were recorded for the fiscal years ending September 30, 2022 and 2021.



**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

**Note 4: Capital Assets**

- A. Capital assets owned by MDOT, including property, plant, equipment, intangible items and infrastructure items (roads, bridges, ramps, railroads, rest areas, and welcome centers) are reported in the government-wide financial statements of the SOMACFR. The State has elected to use the “modified approach” to account for certain infrastructure assets, roads and bridges, as provided in Governmental Accounting Standards Board (GASB) Statement No. 34. For more information on the reporting of capital assets under this Statement, see Note 9 of the SOMACFR.

Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. With the implementation of this Statement, MDOT recognizes right-to-use assets on leases where MDOT is the lessee. For more information on the reporting of capital assets under this Statement, see Note 4 of the SOMACFR.

MDOT is the lessor in various capital asset lease arrangements. During the fiscal year MDOT received \$0.9 million and \$0.2 million for lease revenue and interest revenue, respectively during the fiscal year.

Classification: The following tables summarize, by major class of asset, fiscal year 2022 changes in reported costs for MDOT’s capital assets (In Millions):

Changes in Capital Assets Fiscal Year 2022				
	Beginning Balance	Additions	Deletions	Ending Balance
<u>Capital assets, not depreciated:</u>				
Roads	\$11,715.1	\$191.7	(\$618.9)	\$11,287.9
Land	3,162.0	14.2	-	3,176.2
Bridges	3,071.3	58.7	(61.6)	3,068.3
Construction in Progress	2,795.6	1,376.3	(308.7)	3,863.2
Computer Software Projects in Progress	-	-	-	-
Land Rights	0.6	-	-	0.6
<u>Capital assets, depreciated:</u>				
Equipment	177.3	18.0	(7.7)	187.6
Buildings	179.0	-	(2.8)	176.2
Blue Water Bridge Infrastructure	35.8	0.1	-	35.9
Railroads	173.7	-	-	173.7
Rest Areas & Welcome Centers	120.1	-	-	120.1
Land Improvements	51.3	2.5	-	53.8

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

Airports	1.8	-	-	1.8
Computer Software Project	10.5	-	-	10.5
Locomotives	83.9	-	-	83.9
Rail Coach Cars	6.5	-	-	6.5
Right-to-use leased buildings	2.4	5.5	(3.5)	4.4
Right-to-use leased equipment	-	3.3	(0.3)	3.1
<u>Less accumulated depreciation for:</u>				
Equipment	(108.2)	(8.8)	6.2	(110.9)
Buildings	(99.2)	(4.2)	1.2	(102.2)
Blue Water Bridge Infrastructure	(16.7)	(1.2)	-	(17.9)
Railroad	(62.8)	(4.2)	-	(67.0)
Rest Area & Welcome Center	(56.2)	(2.6)	-	(58.8)
Land Improvements	(18.6)	(2.8)	-	(21.3)
Airports	(1.1)	(0.1)	-	(1.2)
Computer Software Project	(2.3)	(1.7)	-	(4.0)
Locomotives	(15.5)	(4.2)	-	(19.7)
Rail Coach Cars	-	(0.2)	-	(0.2)
Right-to-use buildings	(0.9)	(1.9)	2.0	(0.8)
Right-to-use equipment	<u>-</u>	<u>(1.2)</u>	<u>0.3</u>	<u>(1.0)</u>
Total Capital Assets	<u>\$21,205.3</u>	<u>\$1,739.2</u>	<u>(\$993.9)</u>	<u>\$21,848.6</u>

- B. Funding Source: Following is a summary of funding sources for investments in capital assets as of September 30, 2022 (In Millions):

<u>Fund</u>	<u>Investment</u>
State Trunkline Fund	\$ 21,644.1
Comprehensive Transportation Fund	186.8
State Aeronautics Fund	<u>17.7</u>
Total Investment in Capital Assets	<u>\$ 21,848.6</u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

**Note 5: General Long-Term Obligations**

**A. Revenue Dedicated Bonded Debt**

MDOT has periodically issued long-term bonds for specific purposes, with the pledge that financing of debt requirements is to come strictly from designated revenue sources, including State Trunkline Funds (STF), Comprehensive Transportation Funds (CTF) and federal grants. The State of Michigan's general credit does not support such issues. Public Act 51 of 1951, as amended, provides that monies deposited in the STF and/or the CTF are appropriated for specific purposes, with debt service being the first priority. A sufficient portion of the STF and the CTF is appropriated to pay, when due, the principal of and interest outstanding on bonds and notes.

Revenue Dedicated Bonded Debt  
Department of Transportation (In Thousands)

	Amounts	Outstanding		Maturities		Average
	Issued	9/30/22	9/30/21	First Year	Last Year	Interest Rate % <sup>(1)</sup>
<u>Comprehensive Transportation Fund Bonds</u>						
Series 2005 (Refunding)	\$ 62,180	\$ 1,000	\$ 9,915	2009	2023	5.25
Series 2011 (Refunding)	18,470	-	2,350	2013	2022	4.50
Series 2013 (Refunding)	10,130	1,540	1,540	2014	2023	4.70
Series 2015 (Refunding)	29,380	22,515	23,805	2017	2031	4.89
Total Comprehensive Transportation Fund Bonds	\$ 120,160	\$ 25,055	\$ 37,610			
<u>State Trunkline Fund Bonds</u>						
Series 2004 (Refunding)	103,450	-	12,235	2006	2022	5.02
Series 2005 (Refunding)	223,020	-	24,555	2010	2022	5.24
Series 2011	90,980	-	3,000	2014	2022	4.72
Series 2012 (Refunding)	49,305	-	7,415	2014	2022	4.80
Series 2014 (Refunding)	265,085	-	21,205	2016	2022	4.49
Series 2015 (Refunding)	54,055	54,055	54,055	2023	2023	4.84
Series 2020A (Refunding)	103,485	36,385	70,995	2021	2027	5.00
Series 2020B	800,000	790,000	795,000	2021	2046	4.55
Series 2021A	800,000	800,000	800,000	2023	2047	4.35
Series 2021B (Refunding)	54,150	54,150	54,150	2023	2037	4.91
Total State Trunkline Fund Bonds	\$ 2,543,530	\$ 1,734,590	\$ 1,842,610			
<u>Grant Anticipation Bonds</u>						
Series 2016 (Refunding)	607,110	483,235	513,525	2018	2027	4.97
Total Grant Anticipation Bonds	\$ 607,110	\$ 483,235	\$ 513,525			
Total Revenue Dedicated Bonded Debt	\$ 3,270,800	\$ 2,242,880	\$ 2,393,745			

<sup>(1)</sup>Beginning in fiscal year 2017, average interest rates now reflect a weighted average calculation.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

**B. Advance Refundings and Defeasances**

MDOT has issued refunding bonds to finance the advance refunding of selected bond issues. A portion of the proceeds of the refunding issues were placed in trust and used to purchase securities of the U.S. Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the refunded debt. These assets are administered by a trustee and are restricted for the retirement of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying financial statements, as MDOT defeased its obligation for payment of the refunded bonded debt upon completion of the refunding transaction.

The following table summarizes the defeased bonds outstanding at September 30, 2022 or 2021:

Summary of Refunding Transactions (In Millions)			
<u>Bond Series</u>	<u>Amount Refunded</u>	<u>Principal Amounts Outstanding</u>	
		<u>2022</u>	<u>2021</u>
<u>State Trunkline Fund Bonds</u>			
Series 2011	\$ 68.2	\$ -	\$ 68.2

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**C. Debt Service Requirements**

The following table summarizes debt service requirements for outstanding bonds (In Thousands):

FISCAL YEARS ENDING	STATE TRUNKLINE FUND			COMPREHENSIVE TRANSPORTATION FUND			GRANT ANTICIPATION BONDS			COMBINED TOTAL		
SEPTEMBER 30	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2023	82,055	75,796	157,851	2,540	1,201	3,741	40,560	23,148	63,708	125,155	100,145	225,300
2024	28,675	73,072	101,747	2,555	1,062	3,617	95,020	19,758	114,778	126,250	93,892	220,142
2025	29,370	71,621	100,991	2,685	931	3,616	101,505	14,845	116,350	133,560	87,397	220,957
2026	19,445	70,401	89,846	2,825	793	3,618	119,095	9,330	128,425	141,365	80,524	221,889
2027	4,670	69,798	74,468	2,970	648	3,618	127,055	3,176	130,231	134,695	73,622	208,317
2028	58,735	68,213	126,948	3,120	496	3,616	-	-	-	61,855	68,709	130,564
2029	56,085	65,342	121,427	3,280	336	3,616	-	-	-	59,365	65,678	125,043
2030	53,805	62,595	116,400	3,450	168	3,618	-	-	-	57,255	62,763	120,018
2031	56,320	59,842	116,162	1,630	41	1,671	-	-	-	57,950	59,882	117,832
2032	69,205	56,704	125,909	-	-	-	-	-	-	69,205	56,704	125,909
2033	72,335	53,165	125,500	-	-	-	-	-	-	72,335	53,165	125,500
2034	73,435	49,521	122,956	-	-	-	-	-	-	73,435	49,521	122,956
2035	76,790	45,765	122,555	-	-	-	-	-	-	76,790	45,765	122,555
2036	80,320	41,837	122,157	-	-	-	-	-	-	80,320	41,837	122,157
2037	86,000	37,897	123,897	-	-	-	-	-	-	86,000	37,897	123,897
2038	89,765	34,170	123,935	-	-	-	-	-	-	89,765	34,170	123,935
2039	90,975	30,555	121,530	-	-	-	-	-	-	90,975	30,555	121,530
2040	94,770	26,841	121,611	-	-	-	-	-	-	94,770	26,841	121,611
2041	91,135	23,122	114,257	-	-	-	-	-	-	91,135	23,122	114,257
2042	95,405	19,349	114,754	-	-	-	-	-	-	95,405	19,349	114,754
2043	75,220	15,849	91,069	-	-	-	-	-	-	75,220	15,849	91,069
2044	78,380	12,685	91,065	-	-	-	-	-	-	78,380	12,685	91,065
2045	81,680	9,387	91,067	-	-	-	-	-	-	81,680	9,387	91,067
2046	115,015	5,352	120,367	-	-	-	-	-	-	115,015	5,352	120,367
2047	75,000	1,500	76,500	-	-	-	-	-	-	75,000	1,500	76,500
<b>TOTAL</b>	<b>\$1,734,590</b>	<b>\$1,080,379</b>	<b>\$2,814,969</b>	<b>\$25,055</b>	<b>\$5,676</b>	<b>\$30,731</b>	<b>\$483,235</b>	<b>\$70,258</b>	<b>\$553,493</b>	<b>\$2,242,880</b>	<b>\$1,156,313</b>	<b>\$3,399,193</b>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

D. Other General Long-Term Obligations

Compensated Absences:

Compensated absences liabilities are detailed in Note 7.

Claims and Judgments:

The liability recorded for claims and judgments consists of projected amounts for highway-related negligence cases based upon historical loss ratios. It should be stressed that MDOT continues to vigorously contest all these claims and that MDOT may incur no liability in the individual cases involved. Therefore, the allowance for litigation losses may be overstated (to the extent that losses do not occur) or understated (if the losses exceed the projected amounts).

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

E. Changes in General Long-term Obligations:

Changes in general long-term obligations (In Thousands) for the fiscal years ended September 30, 2022 and 2021 are summarized as follows:

	Revenue Dedicated Debt - <u>Oversight Entity</u>	
	<u>2022</u>	<u>2021</u>
Balance – Beginning	\$ 2,393,745	\$ 1,750,950
New bond issues	-	854,150
Appreciation Bonds	-	-
Bond principal retirements	<u>(150,865)</u>	<u>(211,355)</u>
Balance – Ending	<u>\$ 2,242,880</u>	<u>\$ 2,393,745</u>

	Claims and <u>Judgments</u>		Compensated <u>Absences Liabilities</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance - Beginning	\$ 337	\$ 4,000	\$ 30,130	\$ 29,323
Net increase (decrease) in estimated liabilities	<u>144</u>	<u>(3,663)</u>	<u>76</u>	<u>807</u>
Balance - Ending	<u>\$ 481</u>	<u>\$ 337</u>	<u>\$ 30,206</u>	<u>\$ 30,130</u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

**Note 6: Vendor Financing**

MDOT uses long term vendor financing to acquire capital assets. Contracts that transfer ownership of the underlying assets to MDOT by the end of the contract term and do not contain unconditional termination options (but may include fiscal funding clauses that are not reasonably certain of being exercised) are classified as financed purchases of the assets. Other contracts that convey control of the right to use other entities' nonfinancial assets to MDOT are classified as leases. For more detailed information regarding vendor financing, refer to Note 12 of the SOMACFR.

MDOT's financed purchases include public-private partnership (P3) agreements for the Metro Region Freeway Lighting and Segment 3 of the I-75 Modernization projects. These agreements obligate state transportation funds over a period of years. These obligations are more detailed in Note 10.

MDOT leases office facilities under noncancelable leasing arrangements. Most leases have cancellation clauses with one to six months' notice requirements in the event that funding is not available. For reporting purposes, such cancellation clauses are not considered in the determination of whether a lease is cancelable because the likelihood that such clauses will be exercised is considered remote. MDOT's lessee activity also includes leasing various pieces of equipment.

Changes in vendor financing obligations for the fiscal year ended September 30, 2022 are summarized as follows (In Thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Leases	\$ 6,307	\$ 1,140	\$ 1,773	\$ 5,674
Financed purchases	<u>438,441</u>	<u>247,471</u>	<u>3,986</u>	<u>681,925</u>
Total Governmental Activities	<u>\$ 444,748</u>	<u>\$ 248,611</u>	<u>\$ 5,759</u>	<u>\$ 687,599</u>



**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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Summary of lease commitments to maturity for fiscal year 2022 follows (In Thousands):

Fiscal Year Ended September 30	Leases		
	Principal	Interest	Total
2023	\$ 1,664	\$ 49	\$ 1,713
2024	1,489	36	1,525
2025	627	25	652
2026	518	19	538
2027	466	14	480
2028-2032	910	19	929
Total	<u>\$ 5,674</u>	<u>\$ 163</u>	<u>\$ 5,837</u>

The schedule above is consistent with SOMACFR in that it does not include leases for state owned buildings, leases for an amount less than \$10,000, lease extensions less than 12 months and lease payment changes less than \$200.

Summary of financed purchase commitments to maturity for fiscal year 2022 follows (In Thousands):

Fiscal Year Ended September 30	Financed Purchases		
	Principal	Interest	Total
2023	\$ 4,144	\$ 814	\$ 4,959
2024	5,723	6,409	12,132
2025	20,362	23,121	43,483
2026	20,657	22,457	43,115
2027	23,319	21,752	45,071
2028-2032	114,562	97,378	211,940
2033-2037	120,318	77,500	197,818
2038-2042	153,123	54,008	207,131
2043-2047	173,096	24,751	197,847
Thereafter	46,622	1,186	47,807
Total	<u>\$681,925</u>	<u>\$329,377</u>	<u>\$1,011,302</u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 7: Employee Benefits - Retirement and Compensated Absences**

A. Retirement and Other Postemployment Benefit Contributions

Department of Transportation employees are members of the State Employees' Retirement System. Retirement contributions are expended from MDOT's special revenue funds and capital projects funds to the State Employees' Retirement Fund, the State Employees' Other Postemployment Benefits Fund and the State Employees' Defined Contribution Retirement Fund.

State statutes require that the State provide certain Other Postemployment Benefits (OPEB) to many of its retired employees. The Legislature establishes the extent to which the employer and employees are required to make contributions and establishes the benefit provisions for each plan. The State is not required to fund the plans other than the pay-as-you-go amount necessary to provide current benefits to retirees. However, beginning in fiscal year 2012, the State started prefunding the OPEB liability.

MDOT's retirement and OPEB contributions were as follows (In Thousands):

	<u>2022</u>	<u>2021</u>
State Trunkline Fund	\$84,458	\$91,022
Comprehensive Transportation Fund	2,193	2,239
State Aeronautics Fund	1,357	1,454
Blue Water Bridge	<u>979</u>	<u>1,057</u>
Total Department of Transportation Contributions	<u>\$88,987</u>	<u>\$95,772</u>

B. Compensated Absences

MDOT has accrued liabilities for compensated absences as required by GASB. Liabilities related to governmental fund types are recorded in the government-wide statements in the SOMACFR, unless the liability is "due and payable" (i.e., liabilities are recognized in the year employee leaves State service) at year-end. The amount "due and payable" is reflected in the "Accounts payable" line of the applicable fund's balance sheet.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
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The following table summarizes Department of Transportation related compensated absences liabilities as of September 30, 2022 and 2021 (In Thousands):

	<u>Sick Leave</u>		<u>Annual Leave</u>		<u>Banked Leave</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
State Trunkline Fund	\$981	\$1,062	\$25,047	\$24,697	\$2,433	\$2,648	\$28,461	\$28,406
Comprehensive Transportation Fund	110	104	779	732	97	92	987	928
State Aeronautics Fund	101	138	421	458	40	46	562	642
Blue Water Bridge	<u>-</u>	<u>-</u>	<u>191</u>	<u>149</u>	<u>5</u>	<u>5</u>	<u>196</u>	<u>154</u>
<b>TOTAL</b>	<u><b>\$1,192</b></u>	<u><b>\$1,304</b></u>	<u><b>\$26,439</b></u>	<u><b>\$26,036</b></u>	<u><b>\$2,575</b></u>	<u><b>\$2,791</b></u>	<u><b>\$30,206</b></u>	<u><b>\$30,130</b></u>

If a MDOT employee transfers to another department, the related compensated absence liability is assumed by the employee's new department.

For a more detailed explanation of retirement benefits, other post-employment benefits and compensated absence accruals, refer to Notes 10, 11 and 1, respectively, of the SOMACFR.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**Note 8: Interfund Transactions by the Michigan Transportation Fund**

MDOT's most significant interfund transaction is the distribution of Michigan Transportation Fund (MTF) revenues to the State Trunkline Fund (STF) and Comprehensive Transportation Fund (CTF). This distribution is in accordance with section 247.660 of Public Act 51 of 1951, as amended.

MTF collects various taxes such as gasoline taxes, diesel taxes, alternative fuel taxes, motor carrier taxes, vehicle license taxes, and statutorily dedicated income tax revenues. Before the distribution is calculated, various deductions are taken from MTF's total gross receipts. These deductions include funding for debt service payments, the Rail Grade Crossing program, the Rail Grade Crossing Surface Program, Rail Grade Crossing Surface Improvements, Wetland Mitigation Fund, Moveable Bridge Fund, administrative costs for divisions within MDOT, and grants with other State agencies.

CTF receives ten percent of the remaining balance from MTF. After CTF's balance is distributed, additional deductions are taken for the Local Bridge program, the Economic Development program, and the Local Road program. Three of the four cents a gallon that MTF receives for gasoline taxes is then added to the total. The remaining penny is dedicated to bridge repair and is distributed evenly between STF and the Local Bridge fund. STF receives 39.1 percent of the remaining balance.

Other transactions from MTF are also required by P.A. 51 of 1951, or the current year's appropriation bill. See the table below for MTF's interfund transactions in fiscal years 2022 and 2021 (In Thousands).

<u>Interfund Transactions</u>	<u>2022</u>	<u>2021</u>
MTF Distribution – STF	\$1,199,269	\$1,163,098
MTF Distribution – CTF	256,853	249,115
Other State agencies	48,543	47,520
Debt Service	50,000	50,000
Economic Development Program	40,275	40,275
Local Road Program	33,000	33,000
Local Bridge Fund	29,133	28,658
Transportation Planning	11,263	10,662
Design and Engineering Services	15,621	15,619
Rail Grade Crossing Program	3,000	3,000
Rail Grade Crossing – Surface Improvements	3,000	3,000
Freight and Safety Services	1,353	1,237
Finance, Contracts and Support Services	1,661	1,664
Enhancement Program	850	854
Moveable Bridge Program	5,553	5,444
Local Agency Wetlands Mitigation Fund	2,000	2,000
	<u>\$1,701,374</u>	<u>\$1,655,146</u>

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**Note 9: Component Unit - Mackinac Bridge Authority**

The MBA, which is reported as a governmental component unit in the SOMACFR, has over the years received \$75.3 million of subsidies for operations (\$12.3 million) and debt service (\$63.0 million) from the State Trunkline Fund and the Michigan Transportation Fund, respectively. The MBA redeemed its remaining bonds on July 1, 1986.

State statutes require that the MBA continue charging bridge tolls and begin repaying the State Trunkline Fund and the Michigan Transportation Fund for the subsidies provided. These repayments would continue until such time as the subsidies have been completely returned. Executive Order 1986-14 created the Governor's Mackinac Bridge Task Force to develop an advisory proposal concerning reimbursement of the subsidies, future funding of repair and renovation costs, and the bridge toll structure. The MBA has not recorded a liability, and the state funds have not recorded receivables for these subsidies, because the reimbursements are contingent upon future net revenues and because the repayment commitment is long-term and budgetary in nature. Repayments may be authorized by the MBA after consideration of the MBA's annual needs for its operations and planned repairs and improvements.

The MBA repaid \$17,556,172 between fiscal years 1993 and 2022 to the Michigan Transportation Fund. These repayments come directly from the revenue generated by bridge tolls and are not included as a financing use of the State Trunkline Fund. A balance of \$45,443,828 is owed to the Michigan Transportation Fund and a balance of \$12,306,172 is owed to the State Trunkline Fund.

For the fiscal year ended September 30, 2022, a current receivable of \$1,597,962 is recorded in the State Trunkline Fund's balance sheet as an amount due from component units for the MBA's reimbursement of payroll and related expenses. An accounts payable due to MDOT is recorded in the MBA's balance sheet.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**Note 10: Contingencies and Commitments**

A. Litigation

MDOT is party to various legal proceedings seeking damages and other relief including injunctive or mandatory relief. The ultimate disposition of such legal proceedings is not presently determinable, but such ultimate disposition and consequences of all these legal proceedings will not, themselves, in the opinion of the State of Michigan's Attorney General, have a materially adverse effect on MDOT's financial position.

MDOT accrues fund liabilities at year-end related to settled cases where the outcome and dollar amount of the claim is final. For unsettled cases, liability recognition or disclosure is recorded at the statewide level, dependent on whether the loss is probable or reasonably possible.

B. Federal Grants

Federal revenues are generally subject to review and audit by grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant. As of September 30, 2022 and 2021, MDOT estimates the disallowance of recognized revenues will not be material to the financial statements.

C. Commitments and Encumbrances

MDOT has construction and consultant commitments for transportation projects. As of September 30, 2022 and 2021, the balances remaining on these contracts equaled \$3,173.8 million and \$2,299.3 million, respectively. Portions of these balances, \$244.0 million as of September 30, 2022, and \$152.9 million as of September 30, 2021, have been encumbered.

MDOT has entered into a Public-Private Partnership (P3) contract for the Metro Region Freeway Lighting Project. This contract will provide for the financing, design, construction, operation, and maintenance of freeway lighting in Wayne, Oakland and Macomb counties (City of Detroit) from 2015 to 2030. The total contract amount for this project is \$142.5 million. MDOT has a commitment of \$40.7 million as of September 30, 2022.

MDOT has also entered a P3 contract for the I-75 Modernization project. This contract will provide for the financing, design, construction, operation, and maintenance of Segment 3 of the I-75 Modernization Project in Oakland County from 2020-2048. The total contract amount for this project is \$1,454.8 million. MDOT has a commitment of \$259.4 million as of September 30, 2022.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

D. Advance Construction

Under an agreement with Federal Highway Administration (FHWA), MDOT has, over a period of years, qualified several construction projects without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of MDOT, provided that there are adequate federal aid allocations. The arrangement was worked out between the states and the federal government so that the states could obtain federal reimbursement not received during the construction period, in case a relatively greater amount of federal aid became available at some later date or to assist in balancing the federal aid from year to year. At the end of fiscal year 2022, MDOT had \$409.1 million of State Trunkline expenditures on projects related to routine advanced construction and no project expenditures related to State Trunkline future debt service advanced construction. At the end of fiscal year 2021, MDOT had \$595.8 million of State Trunkline expenditures on projects related to routine advanced construction and no project expenditures related to State Trunkline future debt service advanced construction.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

**Note 11: Subsequent Events**

There are no known subsequent events to report for fiscal year 2022.





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**FUND DESCRIPTIONS**

**COMBINING FINANCIAL STATEMENTS**  
**AND**  
**SCHEDULES**

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**DESCRIPTIONS OF SPECIAL REVENUE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

**MICHIGAN TRANSPORTATION FUND**

This fund, established by Public Act 51 of 1951, Section 10, as amended, is administered by the Department of Transportation. In addition, some of the fund revenue is collected by the Department of Treasury and the Department of State. The fund is a receiving fund for the several tax revenues dedicated to highway purposes. Transfers are made to state agencies to pay the cost of collection of the dedicated revenues and to the State Trunkline Fund, Comprehensive Transportation Fund, the Economic Development Sub-Fund, Local Bridge Sub-Fund, Local Agency Wetland Bank Mitigation Fund, Moveable Bridge Fund, and the Michigan Conservation and Recreation Legacy Fund in accordance with the statutory formula. Expenditures consist of grants to counties, cities, and villages for highway purposes in accordance with statutory formula.

**COMPREHENSIVE TRANSPORTATION FUND**

The Comprehensive Transportation Fund was created for the purpose of planning, developing and funding public transportation systems within the State. It was created by Public Acts 326, 327, and 328 of 1972, and Public Act 197 of 1973. In 1975, Public Acts 195, 196, and 239 were enacted, providing further additions and amendments to the laws governing this fund. Fund revenues consist primarily of federal revenues, a portion of vehicle-related sales tax, and transfers from the Michigan Transportation Fund. Expenditures and transfers are for administration, transit and intercity bus operating and capital assistance, debt service, and rail freight services and safety programs. In accordance with statutory provisions, any unencumbered balance at fiscal year-end lapses and reverts to the fund for appropriation in the following fiscal year.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS**  
 SEPTEMBER 30, 2022 and 2021  
 (In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 3,817	\$ 3,287	\$ -	\$ -	\$ 3,817	\$ 3,287
Equity in Common Cash	285,720	131,546	332,467	262,604	618,186	394,150
Receivables:						
Taxes, interest, and penalties (at net)	135,835	127,801	1,237	-	137,071	127,801
Other funds	-	-	48,942	48,543	48,942	48,543
Component Units	-	-	-	-	-	-
Federal aid	-	-	39,936	40,397	39,936	40,397
Local units	-	-	49	615	49	615
Inventories	-	-	-	-	-	-
Other Current Assets	6,426	5,201	1,411	2,786	7,836	7,986
	<u>431,797</u>	<u>267,835</u>	<u>424,041</u>	<u>354,944</u>	<u>855,838</u>	<u>622,779</u>
Noncurrent Assets:						
Receivables:						
Taxes	3,873	3,772	-	-	3,873	3,772
Federal aid	-	-	-	-	-	-
Local units	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Land contracts	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
	<u>3,873</u>	<u>3,772</u>	<u>-</u>	<u>-</u>	<u>3,873</u>	<u>3,772</u>
Total Noncurrent Assets						
	<u>3,873</u>	<u>3,772</u>	<u>-</u>	<u>-</u>	<u>3,873</u>	<u>3,772</u>
Total Assets	\$ <u>435,670</u>	\$ <u>271,607</u>	\$ <u>424,041</u>	\$ <u>354,944</u>	\$ <u>859,710</u>	\$ <u>626,551</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Current Liabilities:						
Warrants outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	375,781	215,472	82,930	113,040	458,712	328,512
Contract reserve payable	-	-	-	-	-	-
Amounts due to other funds	38,994	34,176	66	63	39,060	34,239
Amounts held for others	-	-	-	-	-	-
Unearned revenue	-	-	1	2	1	2
	<u>414,775</u>	<u>249,648</u>	<u>82,998</u>	<u>113,105</u>	<u>497,773</u>	<u>362,752</u>
Total Current Liabilities						
	<u>414,775</u>	<u>249,648</u>	<u>82,998</u>	<u>113,105</u>	<u>497,773</u>	<u>362,752</u>
Long-Term Liabilities:						
Unearned revenue	-	-	1	3	1	3
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>3</u>
Total Liabilities	<u>414,775</u>	<u>249,648</u>	<u>82,999</u>	<u>113,107</u>	<u>497,774</u>	<u>362,755</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>20,894</u>	<u>21,959</u>	<u>314</u>	<u>-</u>	<u>21,208</u>	<u>21,959</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	340,728	241,837	340,728	241,837
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>340,728</u>	<u>241,837</u>	<u>340,728</u>	<u>241,837</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>435,670</u>	\$ <u>271,607</u>	\$ <u>424,041</u>	\$ <u>354,944</u>	\$ <u>859,710</u>	\$ <u>626,551</u>

The accompanying notes are an integral part of the financial statements.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS**

FISCAL YEARS ENDED SEPTEMBER 30, 2022 and 2021  
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		COMPREHENSIVE TRANSPORTATION FUND		TOTALS	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Taxes	\$ 3,437,084	\$ 3,354,149	\$ 139,233	\$ 92,549	\$ 3,576,317	\$ 3,446,698
Federal aid	-	-	86,527	74,678	86,527	74,678
Local participation	-	-	-	-	-	-
Services	4,958	4,787	-	-	4,958	4,787
License and permits	35,935	37,399	224	169	36,159	37,568
Interest earnings on common cash	1,522	254	1,891	277	3,413	532
Non-operating revenue-bridges	-	-	-	-	-	-
Miscellaneous	250	250	5,898	9,625	6,148	9,875
Total Revenues	3,479,750	3,396,840	233,772	177,298	3,713,522	3,574,137
<b>EXPENDITURES</b>						
Administration and Operations:						
Administration and maintenance	4,864	4,866	39,465	20,174	44,329	25,041
Bus operating assistance grants	-	-	202,165	222,502	202,165	222,502
Other grants	1,847,808	1,790,958	160,322	155,199	2,008,130	1,946,158
Airport development	-	-	-	-	-	-
Non-operating expenditures-bridges	-	-	-	-	-	-
Trust fund construction activity	-	-	-	-	-	-
Capital lease payments	-	-	4	-	4	-
Total Administration and Operations	1,852,673	1,795,825	401,956	397,876	2,254,629	2,193,701
Capital Outlay:						
Roads and bridges	-	-	-	-	-	-
Other capital outlay	-	-	25	-	25	-
Total Capital Outlay	-	-	25	-	25	-
Total Expenditures	1,852,673	1,795,825	401,981	397,876	2,254,654	2,193,701
Excess of Revenues Over (Under) Expenditures	1,627,077	1,601,015	(168,209)	(220,578)	1,458,868	1,380,436
<b>OTHER FINANCING SOURCES</b>						
Capital Lease Acquisitions	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	29	-	29
Michigan transportation fund distribution	-	-	256,853	249,115	256,853	249,115
Grants and transfers from other funds	69,433	49,265	1,353	1,237	70,785	50,502
Proceeds from bonds and notes issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total Other Financing Sources	69,433	49,265	258,206	250,380	327,638	299,645
<b>OTHER FINANCING USES</b>						
Michigan transportation fund distribution	1,456,096	1,412,185	-	-	1,456,096	1,412,185
Grants and transfers to other funds	240,413	238,095	648	550	241,061	238,644
Discount on bonds issued	-	-	-	-	-	-
Debt service	-	-	10,900	10,904	10,900	10,904
Total Other Financing Uses	1,696,510	1,650,280	11,548	11,453	1,708,058	1,661,733
Excess of Other Financing Sources Over (Under) Other Financing Uses	(1,627,077)	(1,601,015)	246,658	238,927	(1,380,419)	(1,362,088)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	78,449	18,348	78,449	18,348
Fund balances-Beginning of fiscal year	-	-	262,279	223,489	262,279	223,489
Fund balances-End of fiscal year	\$ -	\$ -	\$ 340,728	\$ 241,837	\$ 340,728	\$ 241,837

Beginning Fund Balance of FY22 CTF (Special Revenue) was restated by \$20,441,974.88  
The accompanying notes are an integral part of the financial statements.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022  
(In Thousands)

(Statutory/Budgetary Basis)	MICHIGAN TRANSPORTATION FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes	\$ 3,437,084	\$ 3,437,084	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	4,958	4,958	-
License and permits	35,935	35,935	-
Interest earnings	1,522	1,522	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	250	250	-
Total Revenues	3,479,750	3,479,750	-
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	4,862	4,838	24
Bus operating assistance grants	-	-	-
Other grants	1,847,809	1,847,808	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	1,852,671	1,852,646	24
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	1,852,671	1,852,646	24
Excess of Revenue Over(Under) Expenditures and Encumbrances	1,627,079	1,627,103	24
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	69,433	69,433	-
Total Financing Sources	69,433	69,433	-
<b>OTHER FINANCING USES</b>			
Michigan transportation fund distribution	1,456,123	1,456,123	-
Grants and transfers to other funds	243,074	240,413	2,661
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	1,699,197	1,696,536	2,661
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,629,764)	(1,627,103)	2,661
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (2,685)	-	\$ 2,685
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
Net Reconciling Items		-	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		-	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance		-	
Ending balances (GAAP Basis)		\$ -	

The accompanying notes are an integral part of the financial statements.

COMPREHENSIVE TRANSPORTATION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 139,233	\$ 139,233	\$ -	\$ 3,576,317	\$ 3,576,317	\$ -
86,527	86,527	-	86,527	86,527	-
-	-	-	-	-	-
-	-	-	4,958	4,958	-
224	224	-	36,159	36,159	-
1,891	1,891	-	3,413	3,413	-
-	-	-	-	-	-
5,898	5,898	-	6,148	6,148	-
233,772	233,772	-	3,713,522	3,713,522	-
44,653	40,959	3,694	49,515	45,797	3,718
204,221	204,213	7	204,221	204,213	7
338,511	337,272	1,239	2,186,320	2,185,081	1,239
-	-	-	-	-	-
-	-	-	-	-	-
587,385	582,444	4,940	2,440,055	2,435,091	4,965
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
587,385	582,444	4,940	2,440,055	2,435,091	4,965
(353,613)	(348,672)	4,940	1,273,466	1,278,431	4,965
-	-	-	-	-	-
256,853	256,853	-	256,853	256,853	-
1,353	1,353	-	70,785	70,785	-
258,206	258,206	-	327,638	327,638	-
-	-	-	1,456,123	1,456,123	-
250	172	78	243,324	240,585	2,739
-	-	-	-	-	-
10,900	10,900	-	10,900	10,900	-
11,150	11,072	78	1,710,347	1,707,608	2,739
247,056	247,134	78	(1,382,708)	(1,379,969)	2,739
\$ (106,557)	(101,538)	\$ 5,019	\$ (109,242)	(101,538)	\$ 7,704
	179,987			179,987	
	-			-	
	179,987			179,987	
	78,449			78,449	
	262,279			262,279	
\$ 340,728			\$ 340,728		

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2021  
(In Thousands)

	MICHIGAN TRANSPORTATION FUND		
(Statutory/Budgetary Basis)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes	\$ 3,354,149	\$ 3,354,149	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	4,787	4,787	-
License and permits	37,399	37,399	-
Interest earnings	254	254	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	250	250	-
Total Revenues	3,396,840	3,396,840	-
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	4,877	4,839	38
Bus operating assistance grants	-	-	-
Other grants	1,790,958	1,790,958	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	1,795,835	1,795,797	38
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	1,795,835	1,795,797	38
Excess of Revenue Over(Under) Expenditures and Encumbrances	1,601,004	1,601,042	38
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	49,265	49,265	-
Total Financing Sources	49,265	49,265	-
<b>OTHER FINANCING USES</b>			
Michigan transportation fund distribution	1,412,213	1,412,213	-
Grants and transfers to other funds	241,328	238,095	3,233
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	1,653,541	1,650,307	3,233
Excess Other Financial Sources Over(Under) Other Financial Uses	(1,604,275)	(1,601,042)	3,233
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (3,271)	\$ -	\$ 3,271
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30		-	
Funds not annually budgeted		-	
Net Reconciling Items		-	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		-	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance		-	
Ending balances (GAAP Basis)		\$ -	

The accompanying notes are an integral part of the financial statements.



COMPREHENSIVE TRANSPORTATION FUND			TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 92,549	\$ 92,549	\$ -	\$ 3,446,698	\$ 3,446,698	\$ -
74,678	74,678	-	74,678	74,678	-
-	-	-	-	-	-
-	-	-	4,787	4,787	-
169	169	-	37,568	37,568	-
277	277	-	532	532	-
-	-	-	-	-	-
9,625	9,625	-	9,875	9,875	-
177,298	177,298	-	3,574,137	3,574,137	-
27,500	24,736	2,764	32,377	29,575	2,802
223,899	223,899	-	223,899	223,899	-
296,082	294,116	1,966	2,087,041	2,085,075	1,966
-	-	-	-	-	-
-	-	-	-	-	-
547,482	542,752	4,730	2,343,317	2,338,549	4,768
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
547,482	542,752	4,730	2,343,317	2,338,549	4,768
(370,184)	(365,454)	4,730	1,230,820	1,235,589	4,768
29	29	-	29	29	-
249,115	249,115	-	249,115	249,115	-
1,237	1,237	-	50,502	50,502	-
250,380	250,380	-	299,645	299,645	-
-	-	-	1,412,213	1,412,213	-
250	173	77	241,578	238,268	3,310
-	-	-	-	-	-
10,904	10,904	-	10,904	10,904	-
11,154	11,077	77	1,664,694	1,661,385	3,310
239,226	239,303	77	(1,365,049)	(1,361,740)	3,310
\$ (130,958)	\$ (126,151)	\$ 4,807	\$ (134,229)	\$ (126,151)	\$ 8,078
	144,499			144,499	
	-			-	
	144,499			144,499	
	18,348			18,348	
	223,489			223,489	
\$ 241,837			\$ 241,837		

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**DESCRIPTIONS OF CAPITAL PROJECTS FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**STATE TRUNKLINE FUND**

This fund provides for construction and maintenance of highways. Its overall budget is subject to annual legislative review and appropriation, but the Transportation Commission has significant discretion in determining the funding of individual projects. Major financing sources are transfers from the Michigan Transportation Fund, federal aid, and local participation. Expenditures and transfers are for administration, highway maintenance and construction, debt service, and various contractual obligations. In accordance with the annual appropriation act, unencumbered balances at fiscal year-end are transferred to the road and bridge construction account.

In fiscal year 1988, the Economic Development Fund (EDF), a sub-fund, was created within the State Trunkline Fund. The statements for the State Trunkline Fund include the financial activity for EDF. A separate schedule summarizing EDF activity is included in the Statistical Section of this report.

**BLUE WATER BRIDGE FUND**

The fund was administratively established to account for the Blue Water Bridge project. Through provisions of Section 1012 in the federal Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991, the State Trunkline Fund received federal funds to be loaned to the Blue Water Bridge Fund for construction of the Blue Water Bridge project. Repayment of the \$45 million loan began in 1998. The loan was fully repaid during fiscal year 2007.

**STATE AERONAUTICS FUND**

This fund, established by Public Act 327 of 1945, administers development and capital improvement projects for state and local airports. Its budget is subject to annual legislative review and appropriation. Financing consists mostly of federal revenues, airport parking taxes, sales taxes, and aviation fuel taxes. Expenditures and transfers are for administration and state and local airport improvement project costs. At fiscal year-end, in accordance with the annual appropriation act, any unencumbered balance lapses and reverts to the fund for appropriation in the following fiscal year.

**COMBINED STATE TRUNKLINE BOND PROCEEDS FUND**

A separate sub fund is established to account for the proceeds of each bond issue. Revenue and expenditure data by individual proceeds sub fund is available in the Statistical Section, Schedule of Revenues and Expenditures by Fund.

The Combined State Trunkline Bond Proceeds Fund consists of the following sub funds:

**MICHIGAN DEPARTMENT OF TRANSPORTATION  
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**COMBINED STATE TRUNKLINE BOND PROCEEDS FUND (continued)**

**2011 STATE TRUNKLINE FUND BOND PROCEEDS SUB FUND**

This sub fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$91.0 million of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. The proceeds are to be used to finance the construction of various trunkline transportation projects and to pay the costs of issuance of the bonds.

**2020B STATE TRUNKLINE FUND BOND PROCEEDS SUB FUND**

This sub fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$3.5 billion of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. The proceeds are to be used to finance the construction of various trunkline transportation projects and to pay the costs of issuance of the bonds. As of September 30, 2020, \$800 million of the \$3.5 billion has been issued.

**2021A STATE TRUNKLINE FUND BOND PROCEEDS SUB FUND**

This sub fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$3.5 billion of state trunkline bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for state trunkline purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. The proceeds are to be used to finance the construction of various trunkline transportation projects and to pay the costs of issuance of the bonds. As of September 30, 2021, the second batch of bonds for \$800 million closed. That brings the total of \$1.6 billion of the \$3.5 billion having been issued.

**MICHIGAN DEPARTMENT OF TRANSPORTATION  
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2022**

**COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND**

A separate sub fund is established to account for the proceeds of each bond issue. Revenue and expenditure data by individual proceeds sub fund is available in the Statistical Section, Schedule of Revenues and Expenditures by Fund. The Combined Comprehensive Transportation Bond Proceeds Fund consists of the following funds:

**2002 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS SUB FUND**

This sub fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$82.3 million of comprehensive transportation bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of the funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

**2003 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS SUB FUND**

This sub fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$35.0 million of comprehensive transportation bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of the funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

**2006 COMPREHENSIVE TRANSPORTATION FUND BOND PROCEEDS SUB FUND**

This sub fund was established pursuant to Section 18(b) of Public Act 51 of 1951, as amended, to account for the proceeds of up to \$35.0 million of comprehensive transportation bonds. The bonds are not general obligations of the State of Michigan but are payable solely out of the funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**DESCRIPTIONS OF CAPITAL PROJECTS FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

**TRANSPORTATION RELATED TRUST FUND**

The Michigan Department of Transportation is recognized as the legal representative of the State, including all governmental subdivisions, in the administration of the Federal Highway Administration programs. The financing accounted for in this fund consists primarily of revenues from the federal Highway Trust Fund utilized to reimburse municipalities for road and bridge program activities with very little State funds. All projects accounted for in this fund are locally owned.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS**  
 SEPTEMBER 30, 2022 and 2021  
 (In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2022	2021	2022	2021
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 55	\$ 20	\$ -	\$ 4
Equity in Common Cash	1,364,916	1,052,415	81,272	74,600
Receivables:				
Taxes, interest, and penalties (at net)	-	-	-	-
Other funds	36,373	30,929	-	1
Component Units	1,598	935	-	-
Federal aid	111,705	96,514	-	-
Local units	23,178	28,563	-	-
Inventories	13,734	19,906	-	-
Other Current Assets	11,299	7,789	770	194
 Total Current Assets	 1,562,858	 1,237,071	 82,042	 74,799
Noncurrent Assets:				
Receivables:				
Taxes	-	-	-	-
Federal aid	-	-	-	-
Local units	48,676	50,024	-	-
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	677	-	10,049	-
 Total Noncurrent Assets	 49,353	 50,024	 10,049	 -
 Total Assets	 \$ 1,612,212	 \$ 1,287,095	 \$ 92,091	 \$ 74,799
 <b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	252,917	229,421	1,456	1,013
Contract reserve payable	-	-	-	-
Amounts due to other funds	2,481	2,466	30	28
Amounts held for others	-	-	-	-
Unearned revenue	3	3,045	1,762	1,652
 Total Current Liabilities	 255,401	 234,932	 3,247	 2,693
Long-Term Liabilities:				
Unearned revenue	11	14	-	-
Total Long-Term Liabilities	11	14	-	-
 Total Liabilities	 255,412	 234,946	 3,247	 2,693
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 731	 -	 10,547	 -
 Fund Balances:				
Nonspendable	13,734	19,906	-	-
Restricted	1,342,334	1,032,244	78,297	72,106
Committed	-	-	-	-
Assigned	-	-	-	-
 Total Fund Balances	 1,356,069	 1,052,150	 78,297	 72,106
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 1,612,212	 \$ 1,287,095	 \$ 92,091	 \$ 74,799

The accompanying notes are an integral part of the financial statements.

STATE AERONAUTICS FUND		COMBINED TRUNKLINE FUND BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	
2022	2021	2022	2021	2022	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,324	7,660	1,106,467	1,778,973	4,221	3,988
517	513	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
84,666	59,080	-	-	-	-
183	48	-	156	30	30
-	-	-	-	-	-
86	34	-	-	-	-
97,777	67,335	1,106,467	1,779,129	4,251	4,018
1	0	-	-	-	-
-	-	-	-	-	-
113	173	-	-	210	240
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
114	173	-	-	210	240
\$ 97,890	\$ 67,508	\$ 1,106,467	\$ 1,779,129	\$ 4,461	\$ 4,258
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
77,214	49,952	56,680	34,523	-	-
-	-	-	-	-	-
40	40	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
77,253	49,993	56,680	34,523	-	-
-	-	-	-	-	-
-	-	-	-	-	-
77,253	49,993	56,680	34,523	-	-
1	0	-	-	-	-
-	-	-	-	-	-
20,636	17,515	1,049,787	1,744,606	4,461	4,258
-	-	-	-	-	-
-	-	-	-	-	-
20,636	17,515	1,049,787	1,744,606	4,461	4,258
\$ 97,890	\$ 67,508	\$ 1,106,467	\$ 1,779,129	\$ 4,461	\$ 4,258

ASSETS	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2022	2021	2022	2021
Current Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 55	\$ 24
Equity in Common Cash	-	-	2,569,200	2,917,635
Receivables:				
Taxes, interest, and penalties (at net)	-	-	517	513
Other funds	-	-	36,373	30,930
Component Units	-	-	1,598	935
Federal aid	59,613	55,346	255,984	210,940
Local units	79,896	75,763	103,288	104,561
Inventories	-	-	13,734	19,906
Other Current Assets	-	-	12,154	8,017
 Total Current Assets	<u>139,509</u>	<u>131,110</u>	<u>2,992,903</u>	<u>3,293,462</u>
Noncurrent Assets:				
Receivables:				
Taxes	-	-	1	0
Federal aid	-	-	-	-
Local units	-	-	49,000	50,437
Advances to other funds	-	-	-	-
Land contracts	-	-	-	-
Miscellaneous	-	-	10,726	-
 Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>59,726</u>	<u>50,437</u>
 Total Assets	<u>\$ 139,509</u>	<u>\$ 131,110</u>	<u>\$ 3,052,629</u>	<u>\$ 3,343,900</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Warrants outstanding	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Other Liabilities	93,189	85,866	481,455	400,776
Contract reserve payable	-	-	-	-
Amounts due to other funds	46,320	45,243	48,871	47,777
Amounts held for others	-	-	-	-
Unearned revenue	-	-	1,765	4,697
 Total Current Liabilities	<u>139,509</u>	<u>131,110</u>	<u>532,090</u>	<u>453,251</u>
Long-Term Liabilities:				
Unearned revenue	-	-	11	14
Total Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>11</u>	<u>14</u>
 Total Liabilities	<u>139,509</u>	<u>131,110</u>	<u>532,101</u>	<u>453,265</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>11,279</u>	<u>0</u>
 Fund Balances:				
Nonspendable	-	-	13,734	19,906
Restricted	-	-	2,495,515	2,870,729
Committed	-	-	-	-
Assigned	-	-	-	-
 Total Fund Balances	<u>-</u>	<u>-</u>	<u>2,509,249</u>	<u>2,890,635</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 139,509</u>	<u>\$ 131,110</u>	<u>\$ 3,052,629</u>	<u>\$ 3,343,900</u>





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**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECT FUNDS**

FISCAL YEARS ENDED SEPTEMBER 30, 2022 and 2021  
(In Thousands)

	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		BLUE WATER BRIDGE FUND	
	2022	2021	2022	2021
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal aid	1,056,415	852,757	-	-
Local participation	21,725	34,067	-	-
Services	3,564	3,501	-	-
License and permits	17,367	7,407	-	-
Interest earnings on common cash	6,791	817	478	88
Non-operating revenue-bridges	3,433	3,297	-	-
Miscellaneous	45,568	32,417	25,149	16,124
Total Revenues	1,154,863	934,263	25,627	16,212
<b>EXPENDITURES</b>				
Administration and Operations:				
Administration and maintenance	750,779	682,844	6,275	6,219
Other grants	138,269	125,525	-	-
Airport development	-	-	-	-
Non-operating expenditures-bridges	3,246	3,147	-	-
Trust fund construction activity	-	-	-	-
Capital lease payments	2,704	1,589	-	-
Total Administration and Operations	894,998	813,105	6,275	6,219
Capital Outlay:				
Roads and bridges	1,408,046	1,384,864	7,152	3,797
Other capital outlay	10,524	3,107	-	-
Total Capital Outlay	1,418,569	1,387,971	7,152	3,797
Total Expenditures	2,313,568	2,201,076	13,427	10,016
Excess of Revenues Over (Under) Expenditures	(1,158,705)	(1,266,813)	12,200	6,196
<b>OTHER FINANCING SOURCES</b>				
Capital Lease Acquisitions	248,608	204,803	-	-
Proceeds from sale of capital assets	2,095	846	-	-
Michigan transportation fund distribution	1,199,243	1,163,070	-	-
Grants and transfers from other funds	245,907	249,661	-	-
Proceeds from bonds and notes issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total Other Financing Sources	1,695,853	1,618,380	-	-
<b>OTHER FINANCING USES</b>				
Grants and transfers to other funds	5,698	5,449	69	70
Discount on bonds issued	-	-	-	-
Debt service	227,531	191,461	5,940	6,809
Total Other Financing Uses	233,229	196,909	6,010	6,879
Excess of Other Financing Sources Over (Under) Other Financing Uses	1,462,624	1,421,471	(6,010)	(6,879)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	303,919	154,658	6,191	(683)
Fund balances-Beginning of fiscal year	Note 1 1,052,150	897,491	72,106	72,789
Fund balances-End of fiscal year	\$ 1,356,069	\$ 1,052,150	\$ 78,297	\$ 72,106

Note 1 The beginning fund balance was restated in FY21.

The accompanying notes are an integral part of the financial statements.

STATE AERONAUTICS FUND		COMBINED TRUNKLINE FUND BOND PROCEEDS FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	
2022	2021	2022	2021	2022	2021
\$ 13,692	\$ 9,083	\$ -	\$ -	\$ -	\$ -
178,511	193,597	-	49,171	-	-
6	10	-	-	-	-
280	156	-	-	-	-
471	414	-	-	-	-
60	-	8,477	1,324	27	3
-	-	-	-	-	-
3,817	9,573	996	65	-	-
196,837	212,833	9,473	50,561	27	3
7,221	7,128	1,022	124	300	386
81,025	67,974	-	-	-	-
107,763	137,758	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2	-	-	-	-	-
196,010	212,860	1,022	124	300	386
-	-	653,022	296,858	-	-
161	1,482	-	-	-	-
161	1,482	653,022	296,858	-	-
196,171	214,343	654,044	296,981	300	386
666	(1,509)	(644,570)	(246,421)	(273)	(383)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,000	6,000	-	-	476	376
-	-	-	799,977	-	-
-	-	-	208,645	-	-
6,000	6,000	-	1,008,623	476	376
106	104	50,249	55,181	-	-
-	-	-	-	-	-
3,439	3,432	-	-	-	-
3,544	3,536	50,249	55,181	-	-
2,456	2,464	(50,249)	953,442	476	376
3,121	954	(694,819)	707,021	203	(7)
17,515	16,561	1,744,606	1,037,585	4,258	4,264
\$ 20,636	\$ 17,515	\$ 1,049,787	\$ 1,744,606	\$ 4,461	\$ 4,258

	TRANSPORTATION RELATED TRUST FUND		TOTALS	
	2022	2021	2022	2021
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 13,692	\$ 9,083
Federal aid	337,770	326,863	1,572,696	1,422,388
Local participation	-	-	21,731	34,078
Services	-	-	3,844	3,657
License and permits	-	-	17,839	7,821
Interest earnings on common cash	-	-	15,832	2,233
Non-operating revenue-bridges	-	-	3,433	3,297
Miscellaneous	978	189	76,509	58,368
Total Revenues	338,748	327,052	1,725,574	1,540,924
<b>EXPENDITURES</b>				
Administration and Operations:				
Administration and maintenance	-	-	765,596	696,701
Other grants	-	-	219,294	193,499
Airport development	-	-	107,763	137,758
Non-operating expenditures-bridges	-	-	3,246	3,147
Trust fund construction activity	338,748	327,052	338,748	327,052
Capital lease payments	-	-	2,706	1,589
Total Administration and Operations	338,748	327,052	1,437,353	1,359,746
Capital Outlay:				
Roads and bridges	-	-	2,068,219	1,685,519
Other capital outlay	-	-	10,685	4,589
Total Capital Outlay	-	-	2,078,904	1,690,108
Total Expenditures	338,748	327,052	3,516,257	3,049,854
Excess of Revenues Over (Under) Expenditures	-	-	(1,790,683)	(1,508,930)
<b>OTHER FINANCING SOURCES</b>				
Capital Lease Acquisitions	-	-	248,608	204,803
Proceeds from sale of capital assets	-	-	2,095	846
Michigan transportation fund distribution	-	-	1,199,243	1,163,070
Grants and transfers from other funds	-	-	252,383	256,037
Proceeds from bonds and notes issued	-	-	-	799,977
Premium on bonds issued	-	-	-	208,645
Total Other Financing Sources	-	-	1,702,329	2,633,379
<b>OTHER FINANCING USES</b>				
Grants and transfers to other funds	-	-	56,122	60,804
Discount on bonds issued	-	-	-	-
Debt service	-	-	236,910	201,701
Total Other Financing Uses	-	-	293,032	262,505
Excess of Other Financing Sources Over (Under) Other Financing Uses	-	-	1,409,297	2,370,874
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	(381,386)	861,944
Fund balances-Beginning of fiscal year	-	-	2,890,635	2,028,691
Fund balances-End of fiscal year	\$ -	\$ -	\$ 2,509,249	\$ 2,890,635



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MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022  
(In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal aid	1,056,415	1,056,415	-
Local participation	21,725	21,725	-
Services	3,564	3,564	-
License and permits	17,367	17,367	-
Interest earnings	6,791	6,791	-
Non-operating revenue-bridges	3,433	3,433	-
Miscellaneous and Service revenue	45,568	45,568	-
Total Revenues	1,154,863	1,154,863	-
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	841,410	801,476	39,933
Other grants	152,817	129,832	22,986
Airport development	-	-	-
Nonoperating expenditure-bridges	3,435	3,435	-
Total Administration and Operations	997,662	934,743	62,919
Roads and bridges	1,347,852	1,347,852	-
Other capital outlay	21,514	21,514	-
Total Capital Outlay	1,369,367	1,369,367	-
Total Expenditures and Encumbrances	2,367,028	2,304,109	62,919
Excess of Revenue Over(Under) Expenditures and Encumbrances	(1,212,166)	(1,149,247)	62,919
<b>OTHER FINANCING SOURCES</b>			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	2,095	2,095	-
Michigan transportation fund distribution	1,199,243	1,199,243	-
Grants and transfers from other funds	245,907	245,907	-
Proceeds from bonds and notes issued	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	1,447,245	1,447,245	-
<b>OTHER FINANCING USES</b>			
Grants and transfers to other funds	5,698	5,698	-
Discount on bonds issued	-	-	-
Debt service	232,162	227,531	4,631
Total Financing Uses	237,860	233,229	4,631
Excess Other Financial Sources Over(Under) Other Financial Uses	1,209,385	1,214,016	4,631
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (2,781)	64,769	\$ 67,550
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30		239,149	
Funds not annually budgeted		-	
Net Reconciling Items		239,149	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		303,919	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance - Restated		1,052,150	
Ending balances (GAAP Basis)		\$ 1,356,069	

The accompanying notes are an integral part of the financial statements.

BLUE WATER BRIDGE FUND			STATE AERONAUTICS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 13,692	\$ 13,692	\$ -
-	-	-	178,511	178,511	-
-	-	-	6	6	-
-	-	-	280	280	-
-	-	-	471	471	-
478	478	-	60	60	-
-	-	-	-	-	-
25,149	25,149	-	3,817	3,817	-
25,627	25,627	-	196,837	196,837	-
6,809	6,344	465	14,190	13,076	1,114
-	-	-	80,824	80,824	-
-	-	-	102,723	102,695	27
-	-	-	-	-	-
6,809	6,344	465	197,737	196,595	1,142
16,480	16,480	-	-	-	-
-	-	-	175	175	-
16,480	16,480	-	175	175	-
23,290	22,825	465	197,912	196,770	1,142
2,337	2,802	465	(1,075)	67	1,142
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	150	106	44
-	-	-	-	-	-
6,810	5,940	870	3,439	3,439	-
6,810	5,940	870	3,589	3,544	44
(6,810)	(5,940)	870	2,411	2,456	44
\$ (4,473)	(3,138)	\$ 1,335	\$ 1,336	2,522	\$ 1,186
	9,329			599	
	-			-	
	9,329			599	
	6,191			3,121	
	72,106			17,515	
\$	78,297		\$	20,636	

	Funds not Annually Budgeted		
	COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
(Statutory/Budgetary Basis)			
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	-	-	-
License and permits	-	-	-
Interest earnings	-	-	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	-	-	-
Total Revenues	-	-	-
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	-	-	-
Other grants	-	-	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	-	-	-
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	-	-	-
Excess of Revenue Over(Under) Expenditures and Encumbrances	-	-	-
<b>OTHER FINANCING SOURCES</b>			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Proceeds from bonds and notes issued	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	-	-	-
<b>OTHER FINANCING USES</b>			
Grants and transfers to other funds	-	-	-
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	-	-	-
Excess Other Financial Sources Over(Under) Other Financial Uses	-	-	-
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	-	-	-
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30	-	-	-
Funds not annually budgeted	(694,819)	203	-
Net Reconciling Items	(694,819)	203	-
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)	(694,819)	203	-
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance - Restated	1,744,606	4,258	-
Ending balances (GAAP Basis)	\$ 1,049,787	\$ 4,461	\$ -



TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 13,692	\$ 13,692	\$ -
1,234,926	1,234,926	-
21,731	21,731	-
3,844	3,844	-
17,839	17,839	-
7,328	7,328	-
3,433	3,433	-
74,534	74,534	-
1,377,326	1,377,326	-
862,409	820,897	41,513
233,641	210,655	22,986
102,723	102,695	27
3,435	3,435	-
1,202,208	1,137,682	64,526
1,364,333	1,364,333	-
21,689	21,689	-
1,386,022	1,386,022	-
2,588,230	2,523,704	64,526
(1,210,904)	(1,146,378)	64,526
-	-	-
2,095	2,095	-
1,199,243	1,199,243	-
251,907	251,907	-
-	-	-
-	-	-
1,453,245	1,453,245	-
5,848	5,804	44
-	-	-
242,410	236,910	5,501
248,259	242,714	5,545
1,204,986	1,210,531	5,545
\$ (5,918)	64,153	\$ 70,071
	249,077	
	(694,616)	
	(445,539)	
	(381,386)	
	2,890,635	
\$	2,509,249	

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2021  
(In Thousands)

(Statutory/Budgetary Basis)	STATE TRUNKLINE FUND (excluding Blue Water Bridge Fund)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal aid	852,757	852,757	-
Local participation	34,067	34,067	-
Services	3,501	3,501	-
License and permits	7,407	7,407	-
Interest earnings	817	817	-
Non-operating revenue-bridges	3,297	3,297	-
Miscellaneous and Service revenue	32,417	32,417	-
Total Revenues	934,263	934,263	-
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	790,358	745,607	44,751
Other grants	136,564	117,588	18,976
Airport development	-	-	-
Nonoperating expenditure-bridges	3,342	3,342	-
Total Administration and Operations	930,263	866,537	63,727
Roads and bridges	1,410,536	1,364,140	46,396
Other capital outlay	6,258	6,258	-
Total Capital Outlay	1,416,794	1,370,398	46,396
Total Expenditures and Encumbrances	2,347,057	2,236,935	110,123
Excess of Revenue Over(Under) Expenditures and Encumbrances	(1,412,794)	(1,302,672)	110,123
<b>OTHER FINANCING SOURCES</b>			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	846	846	-
Michigan transportation fund distribution	1,163,070	1,163,070	-
Grants and transfers from other funds	249,661	249,661	-
Proceeds from bonds and notes issued	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	1,413,577	1,413,577	-
<b>OTHER FINANCING USES</b>			
Grants and transfers to other funds	5,449	5,449	-
Discount on bonds issued	-	-	-
Debt service	193,944	191,461	2,483
Total Financing Uses	199,392	196,909	2,483
Excess Other Financial Sources Over(Under) Other Financial Uses	1,214,185	1,216,668	2,483
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	\$ (198,610)	(86,004)	\$ 112,606
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30		240,662	
Funds not annually budgeted		-	
Net Reconciling Items		240,662	
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)		154,658	
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance - Restated		897,491	
Ending balances (GAAP Basis)		\$ 1,052,150	

The accompanying notes are an integral part of the financial statements.

BLUE WATER BRIDGE FUND			STATE AERONAUTICS FUND		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ -	\$ -	\$ -	\$ 9,083	\$ 9,083	\$ -
-	-	-	193,597	193,597	-
-	-	-	10	10	-
-	-	-	156	156	-
-	-	-	414	414	-
88	88	-	-	-	-
-	-	-	-	-	-
16,124	16,124	-	9,573	9,573	-
16,212	16,212	-	212,833	212,833	-
6,779	6,219	560	23,260	22,181	1,079
-	-	-	67,974	67,974	-
-	-	-	123,616	123,360	256
-	-	-	-	-	-
6,779	6,219	560	214,849	213,515	1,335
8,989	4,937	4,052	-	-	-
-	-	-	1,485	1,485	-
8,989	4,937	4,052	1,485	1,485	-
15,767	11,156	4,611	216,335	215,000	1,335
444	5,056	4,611	(3,501)	(2,167)	1,335
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
-	-	-	-	-	-
-	-	-	6,000	6,000	-
70	70	-	150	104	46
-	-	-	-	-	-
6,811	6,809	2	3,432	3,432	-
6,881	6,879	2	3,582	3,536	46
(6,881)	(6,879)	2	2,418	2,464	46
\$ (6,437)	\$ (1,823)	\$ 4,613	\$ (1,083)	\$ 297	\$ 1,380
	1,140			657	
	-			-	
	1,140			657	
	-			-	
	(683)			954	
	72,789			16,561	
\$	\$ 72,106		\$	\$ 17,515	

	Funds not Annually Budgeted		
	COMBINED TRUNKLINE FUND BOND PROCEEDS FUND	COMBINED COMPREHENSIVE TRANSPORTATION BOND PROCEEDS FUND	TRANSPORTATION RELATED TRUST FUND
(Statutory/Budgetary Basis)			
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Federal aid	-	-	-
Local participation	-	-	-
Services	-	-	-
License and permits	-	-	-
Interest earnings	-	-	-
Non-operating revenue-bridges	-	-	-
Miscellaneous and Service revenue	-	-	-
Total Revenues	-	-	-
<b>EXPENDITURES AND ENCUMBRANCES</b>			
Administration	-	-	-
Other grants	-	-	-
Airport development	-	-	-
Nonoperating expenditure-bridges	-	-	-
Total Administration and Operations	-	-	-
Roads and bridges	-	-	-
Other capital outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures and Encumbrances	-	-	-
Excess of Revenue Over(Under) Expenditures and Encumbrances	-	-	-
<b>OTHER FINANCING SOURCES</b>			
Capital Lease Acquisitions	-	-	-
Proceeds of sale of capital assets	-	-	-
Michigan transportation fund distribution	-	-	-
Grants and transfers from other funds	-	-	-
Premium on bonds issued	-	-	-
Total Financing Sources	-	-	-
<b>OTHER FINANCING USES</b>			
Grants and transfers to other funds	-	-	-
Discount on bonds issued	-	-	-
Debt service	-	-	-
Total Financing Uses	-	-	-
Excess Other Financial Sources Over(Under) Other Financial Uses	-	-	-
Excess of Revenue and Other Financial Sources Over(Under) Expenditures, Encumbrances and Other Financial Uses	-	-	-
<b>RECONCILING ITEMS</b>			
Encumbrances at September 30	-	-	-
Funds not annually budgeted	707,021	(7)	-
Net Reconciling Items	707,021	(7)	-
Excess of Revenue and Other Financial Sources Over(Under)Expenditures and Other Financial Uses (GAAP Basis)	707,021	(7)	-
<b>FUND BALANCES (GAAP BASIS)</b>			
Beginning balance - Restated	1,037,585	4,264	-
Ending balances (GAAP Basis)	\$ 1,744,606	\$ 4,258	\$ -

TOTALS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 9,083	\$ 9,083	\$ -
1,046,354	1,046,354	-
34,078	34,078	-
3,657	3,657	-
7,821	7,821	-
905	905	-
3,297	3,297	-
58,114	58,114	-
1,163,308	1,163,308	-
820,396	774,007	46,389
204,538	185,562	18,976
123,616	123,360	256
3,342	3,342	-
1,151,892	1,086,270	65,621
1,419,525	1,369,077	50,448
7,743	7,743	-
1,427,268	1,376,820	50,448
2,579,159	2,463,091	116,069
(1,415,851)	(1,299,783)	116,069
-	-	-
846	846	-
1,163,070	1,163,070	-
255,661	255,661	-
-	-	-
-	-	-
1,419,577	1,419,577	-
5,669	5,623	46
-	-	-
204,187	201,701	2,486
209,855	207,324	2,531
1,209,722	1,212,253	2,531
\$ (206,130)	(87,530)	\$ 118,600
	242,460	
	707,014	
	949,474	
	861,944	
	2,028,691	
	\$ 2,890,635	

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**DESCRIPTIONS OF DEBT SERVICE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022

**COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND**

This fund was established pursuant to Public Act 51 of 1951, as amended, to account for debt service on all State Trunkline Fund related bond issues. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the State Trunkline Fund. Debt service requirements are funded by annual appropriations in the State Trunkline Fund.

**COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND**

This fund was established pursuant to Public Act 51 of 1951, as amended, to account for debt service on all Comprehensive Transportation Fund related bond issues. The bonds are not general obligations of the State of Michigan but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund. Debt service requirements are funded by annual appropriations in the Comprehensive Transportation Fund.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUNDS**  
SEPTEMBER 30, 2022 and 2021  
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2022	2021	2022	2021	2022	2021
<b>ASSETS</b>						
Current Assets:						
Equity in Common Cash	\$ 2	\$ 38	\$ -	\$ -	\$ 2	\$ 38
Amounts due from other funds	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
Total Assets	<u>\$ 2</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 38</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Current Liabilities:						
Warrants Outstanding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and other liabilities	2	8	-	-	2	8
Amounts due to other funds	-	-	-	-	-	-
Total Liabilities	<u>2</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>8</u>
Fund Balances:						
Unreserved	-	30	-	-	-	30
Total Fund Balances	<u>-</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>
Total Liabilities and Fund Balances	<u>\$ 2</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 38</u>

The accompanying notes are an integral part of the financial statements.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUNDS**  
FISCAL YEARS ENDED SEPTEMBER 30, 2022 and 2021  
(In Thousands)

	COMBINED STATE TRUNKLINE BOND AND INTEREST REDEMPTION FUND		COMBINED COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND		TOTALS	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	3	2	-	-	3	3
Total Revenues	3	2	-	-	3	3
<b>EXPENDITURES</b>						
Administration	-	-	-	-	-	-
Costs of issuance	3	190	-	-	3	190
Bond principal retirement	138,310	131,230	12,555	11,930	150,865	143,160
Bond interest and fiscal charges	95,191	67,978	1,783	2,406	96,975	70,384
Total Expenditures	233,504	199,398	14,339	14,336	247,843	213,735
Excess of Revenues Over (Under) Expenditures	(233,501)	(199,396)	(14,338)	(14,336)	(247,840)	(213,732)
<b>OTHER FINANCING SOURCES</b>						
Proceeds from refunding bond issues	-	54,150	-	-	-	54,150
Proceeds from bond issues other than refunding	-	23	-	-	-	23
Premium on bonds issued	-	15,913	-	-	-	15,913
Transfer from State Aeronautics Fund	-	-	3,439	3,432	3,439	3,432
Transfer from State Trunkline Fund	233,471	198,269	-	-	233,471	198,269
Transfer from Comprehensive Transportation Fund	-	-	10,900	10,904	10,900	10,904
Total Other Financing Sources	233,471	268,355	14,338	14,336	247,809	282,690
<b>OTHER FINANCING USES</b>						
Payment to refunded bond escrow agent	-	68,958	-	-	-	68,958
Total Other Financing Uses	-	68,958	-	-	-	68,958
Excess of Other Sources Over (Under) Other Uses	233,471	199,396	14,338	14,336	247,809	213,732
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(30)	-	-	-	(30)	-
Fund balances-Beginning of fiscal year	30	30	-	-	30	30
Fund balances-End of fiscal year	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ 30

The accompanying notes are an integral part of the financial statements.



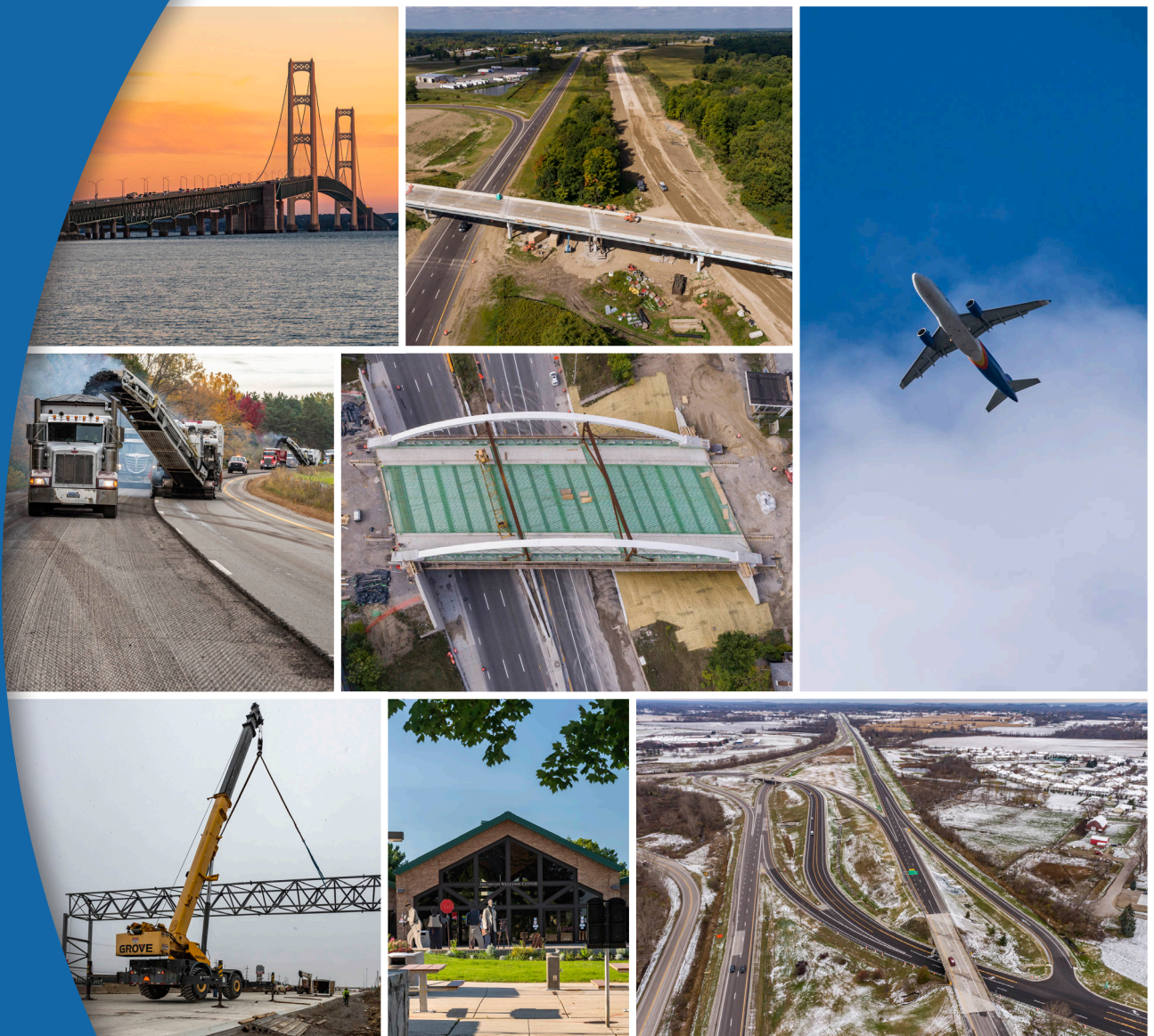


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# 2022

## ANNUAL FINANCIAL REPORT

### Statistical Section





## **FINANCIAL SCHEDULES**

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**SPECIAL REVENUE FUNDS AND CAPITAL PROJECTS FUNDS**  
**LAST TEN YEARS**  
**SEPTEMBER 30, 2022**  
(In Thousands)

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
<b>REVENUES AND OTHER SOURCES:</b>			
Michigan Transportation Fund	\$ 1,894,679	\$ 1,937,904	\$ 2,022,175
State Trunkline Fund			
Economic Development	51,745	48,223	57,717
Road and Bridge Program	1,638,111	1,772,689	1,733,972
Blue Water Bridge Fund	24,818	22,441	20,968
Comprehensive Transportation Fund	496,404	401,373	389,096
Aeronautics Fund	98,334	86,956	89,305
Transportation Related Trust Fund	259,185	315,459	314,462
1992 State Trunkline Bond Proceeds Fund	245	239	-
1994 State Trunkline Bond Proceeds Fund	4	2	-
2001 Build Michigan III Bond Proceeds Fund	11	41	1
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	-	-	-
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	693	365	86
2004 State Trunkline Bond Proceeds Fund	66	2,549	122
2011 State Trunkline Bond Proceeds Fund	10,431	60,338	8,399
Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	37,495	21	1,074
Jobs Today Bond Proceeds Fund	127,194	15	44,710
Blue Water Bridge Plaza Series Bonds	210	2	4
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<u>\$ 4,639,625</u>	<u>\$ 4,648,617</u>	<u>\$ 4,682,091</u>
<b>EXPENDITURES AND OTHER USES:</b>			
Michigan Transportation Fund	\$ 1,894,679	\$ 1,937,904	\$ 2,022,175
State Trunkline Fund			
Economic Development	48,702	52,211	63,906
Traditional Program	1,537,190	1,707,553	1,670,003
Blue Water Bridge Fund	13,488	15,131	24,410
Comprehensive Transportation Fund	479,460	388,597	403,744
Aeronautics Fund	93,693	93,671	92,869
Transportation Related Trust Fund	259,185	315,459	314,462
1992 State Trunkline Bond Proceeds Fund	46	209	-
1994 State Trunkline Bond Proceeds Fund	5	-	-
2001 Build Michigan III Bond Proceeds Fund	410	41	555
2001 & 2002 Build Michigan II Grant Anticipation Note Proceeds Fund	202	(267)	-
2002 & 2003 Comprehensive Transportation Bond Proceeds Fund	12,296	7,374	835
2004 State Trunkline Bond Proceeds Fund	582	9,442	2,507
2011 State Trunkline Bond Proceeds Fund	23,453	66,996	11,042
Rebuilding Michigan Bond Program	-	-	-
Economic Stimulus Bonds	20,854	8,718	5,377
Jobs Today Bond Proceeds Fund	148,568	36,778	40,413
Blue Water Bridge Plaza Series Bonds	8,009	562	1,139
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 4,540,822</u>	<u>\$ 4,640,379</u>	<u>\$ 4,653,437</u>

<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
\$ 2,072,328	\$ 2,617,638	\$ 2,808,250	\$ 3,124,744	\$ 3,169,811	\$ 3,446,105	\$ 3,549,182
54,332	26,440	53,272	54,603	41,348	40,694	51,734
1,714,350	1,954,893	1,943,524	2,253,215	2,576,240	2,511,949	2,798,981
21,285	22,281	22,414	22,668	17,866	16,212	25,627
352,243	376,541	406,879	406,153	421,490	427,678	491,977
72,616	96,279	106,234	97,392	255,389	218,833	202,837
264,737	283,877	276,163	269,615	346,062	327,052	338,748
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
75	3,390	1,820	1,264	229	379	503
(8)	-	-	-	-	-	-
2,977	6	16,066	(1,752)	275	(260)	2
-	-	-	-	1,048,174	1,009,938	9,428
4,031	4,483	1,491	31,458	20,004	42,240	-
57,499	112,582	20,552	6,210	30,062	7,264	42
5	1	16	8	1	1	1
<u>\$ 4,616,470</u>	<u>\$ 5,498,411</u>	<u>\$ 5,656,681</u>	<u>\$ 6,265,578</u>	<u>\$ 7,926,951</u>	<u>\$ 8,048,085</u>	<u>\$ 7,469,062</u>
\$ 2,072,328	\$ 2,617,638	\$ 2,808,250	\$ 3,124,743	\$ 3,169,811	\$ 3,446,105	\$ 3,549,182
49,226	36,232	51,330	58,219	47,843	46,387	43,425
1,695,233	1,976,204	1,983,756	2,204,072	2,515,171	2,353,060	2,503,371
24,331	15,986	18,916	22,314	16,930	16,895	19,436
358,385	358,983	344,360	373,106	410,776	409,330	413,529
73,243	100,109	105,638	93,350	255,054	217,879	199,716
264,737	283,877	276,163	269,615	346,062	327,052	338,748
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1	-	-	-	-
-	-	-	-	-	-	-
2,611	6,085	1,270	2,644	7,267	386	300
(8)	-	-	-	-	-	-
6,124	1,037	122	1	14	33	1
-	-	-	-	36,452	296,920	654,030
2	-	-	-	-	-	-
34,858	43,721	37,783	35,863	81,155	117,650	50,261
(318)	344	-	-	-	3	-
<u>\$ 4,580,752</u>	<u>\$ 5,440,216</u>	<u>\$ 5,627,589</u>	<u>\$ 6,183,927</u>	<u>\$ 6,886,535</u>	<u>\$ 7,231,700</u>	<u>\$ 7,771,999</u>

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**SCHEDULE OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES**  
**ECONOMIC DEVELOPMENT FUND**  
FISCAL YEARS ENDED SEPTEMBER 30, 2022 and 2021  
(In Thousands)

	2022	2021
<b>REVENUES AND OTHER SOURCES</b>		
Licenses and permits (Note 1)	\$ 9,855	\$ 140
Federal aid	-	-
Local participation	-	-
Interest earnings	575	108
Michigan Transportation Fund distribution	40,275	40,275
Miscellaneous	1,029	171
Fees	-	-
Total Revenues and Other Sources	<u>51,734</u>	<u>40,694</u>
<b>EXPENDITURES AND OTHER USES</b>		
Administration	441	444
Forest roads	5,000	5,000
Target industries-state takeovers	9,742	7,188
Rural county urban system	2,234	2,808
Urban county congestion	5,022	9,772
Rural county primary	6,761	7,204
Community Service Infrastructure Fund	2,739	2,488
Special Projects	-	-
Debt service	11,486	11,482
Total Expenditures and Other Uses	<u>43,425</u>	<u>46,387</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>8,310</u>	<u>(5,693)</u>
Fund Balances-Beginning of fiscal year	84,658	90,350
Fund Balances-Adjustments	-	-
Fund Balances-End of fiscal year	<u><u>\$ 92,967</u></u>	<u><u>\$ 84,658</u></u>

The Economic Development Fund is a sub fund of the State Trunkline Fund created during FY 1988. The amounts shown above are reported as part of the State Trunkline Fund in previous schedules of this report. This supplementary schedule was prepared to provide additional information pertaining specifically to the Economic Development Fund.

Note 1: PA 203 of 2020 redirected \$13M of fees to the General Fund in FY21 and \$0 in FY22



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MICHIGAN DEPARTMENT OF TRANSPORTATION  
**CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS**  
**BY FUNCTIONAL ACTIVITY**  
FISCAL YEAR ENDED SEPTEMBER 30, 2022  
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
<b>STATE TRUNKLINE FUND</b>			
Roads and bridges	\$ 195,170	\$ 244,211	\$ 37,619
Economic development fund	(47)	2,982	-
Work orders - state facilities	-	-	-
	<u>195,123</u>	<u>247,193</u>	<u>37,619</u>
Subtotal	<u>195,123</u>	<u>247,193</u>	<u>37,619</u>
<b>BLUE WATER BRIDGE FUND</b>	<u>28</u>	<u>13,066</u>	<u>912</u>
	<u>28</u>	<u>13,066</u>	<u>912</u>
Subtotal	<u>28</u>	<u>13,066</u>	<u>912</u>
<b>STATE AERONAUTICS AND GENERAL FUNDS</b>			
Airport development	-	4,773	1,918
Work orders - state facilities	-	-	-
	<u>-</u>	<u>4,773</u>	<u>1,918</u>
Subtotal	<u>-</u>	<u>4,773</u>	<u>1,918</u>
<b>COMPREHENSIVE TRANSPORTATION FUND</b>			
Rail freight	-	-	-
Bus transit	-	-	-
Intercity bus, rail, water	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
<b>BOND PROCEEDS FUNDS</b>			
State Trunkline Fund	76,755	40,771	3,136
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	-	-	-
	<u>76,755</u>	<u>40,771</u>	<u>3,136</u>
Subtotal	<u>76,755</u>	<u>40,771</u>	<u>3,136</u>
Total Capital Acquisitions	\$ <u><u>271,907</u></u>	\$ <u><u>305,802</u></u>	\$ <u><u>43,585</u></u>



<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 1,339	\$ 946,223	\$ -	\$ 81,865	\$ 1,506,427
-	23,865	-	-	26,800
-	-	-	13,029	13,029
<u>1,339</u>	<u>970,088</u>	<u>-</u>	<u>94,894</u>	<u>1,546,256</u>
<u>2</u>	<u>19</u>	<u>-</u>	<u>1,631</u>	<u>15,657</u>
<u>2</u>	<u>19</u>	<u>-</u>	<u>1,631</u>	<u>15,657</u>
-	84,022	-	179,731	270,444
-	-	-	-	-
<u>-</u>	<u>84,022</u>	<u>-</u>	<u>179,731</u>	<u>270,444</u>
-	-	-	3,843	3,843
-	-	-	378,750	378,750
-	14,821	-	112,843	127,664
<u>-</u>	<u>14,821</u>	<u>-</u>	<u>495,436</u>	<u>510,257</u>
-	588,053	-	141	708,857
-	-	-	2	2
-	-	-	-	-
<u>-</u>	<u>588,053</u>	<u>-</u>	<u>143</u>	<u>708,859</u>
\$ <u><u>1,341</u></u>	\$ <u><u>1,657,003</u></u>	\$ <u><u>-</u></u>	\$ <u><u>771,835</u></u>	\$ <u><u>3,051,473</u></u>

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**CONSTRUCTION AND CAPITAL PROPERTY ACQUISITIONS**  
**BY FUNCTIONAL ACTIVITY**  
FISCAL YEAR ENDED SEPTEMBER 30, 2021  
(In Thousands)

	<u>Construction Supervision</u>	<u>Preliminary Engineering</u>	<u>Right-of-Way</u>
<b>STATE TRUNKLINE FUND</b>			
Roads and bridges	\$ 177,806	\$ 192,310	\$ 28,790
Economic development fund	52	5	-
Work orders - state facilities	-	-	-
Subtotal	<u>177,858</u>	<u>192,315</u>	<u>28,790</u>
<b>BLUE WATER BRIDGE FUND</b>	<u>(48)</u>	<u>1,909</u>	<u>114</u>
Subtotal	<u>(48)</u>	<u>1,909</u>	<u>114</u>
<b>STATE AERONAUTICS AND GENERAL FUNDS</b>			
Airport development	-	8,349	1,341
Work orders - state facilities	-	-	-
Subtotal	<u>-</u>	<u>8,349</u>	<u>1,341</u>
<b>COMPREHENSIVE TRANSPORTATION FUND</b>			
Rail freight	-	-	-
Bus transit	-	16	-
Intercity bus, rail, water	-	-	-
Subtotal	<u>-</u>	<u>16</u>	<u>-</u>
<b>BOND PROCEEDS FUNDS</b>			
State Trunkline Fund	35,950	37,496	159
Comprehensive Transportation Fund	-	-	-
Aeronautics Fund	-	-	-
Subtotal	<u>35,950</u>	<u>37,496</u>	<u>159</u>
Total Capital Acquisitions	<u>\$ 213,760</u>	<u>\$ 240,084</u>	<u>\$ 30,404</u>

<u>Utility Relocation</u>	<u>Physical Construction</u>	<u>Special Projects</u>	<u>Other Activities</u>	<u>Totals</u>
\$ 2,201	\$ 968,877	\$ -	\$ 70,388	\$ 1,440,371
-	28,696	-	-	28,753
-	-	-	1,540	1,540
<u>2,201</u>	<u>997,573</u>	<u>-</u>	<u>71,928</u>	<u>1,470,664</u>
-	108	-	1,109	3,192
-	108	-	1,109	3,192
-	107,841	-	115,158	232,688
-	-	-	-	-
-	107,841	-	115,158	232,688
-	419	-	5,854	6,273
-	0	-	398,616	398,632
-	835	-	103,942	104,777
-	1,254	-	508,412	509,683
-	252,697	-	73	326,375
-	-	-	(269)	(269)
-	-	-	-	-
-	252,697	-	(196)	326,106
<u>\$ 2,201</u>	<u>\$ 1,359,472</u>	<u>\$ -</u>	<u>\$ 696,411</u>	<u>\$ 2,542,333</u>

Michigan Department of Transportation  
Schedule of Expenditures of Federal Awards  
Fiscal Year Ended September 30, 2022

						Distributed to Subrecipients			
Grantor Agency/Federal Assistance Program Title	CFDA* Program Number	Direct Award (Y/N)	Pass Through Entity	Pass- Through Entity ID Number	Research and Develop- ment (Y/N)	Directly Expended by Department	To Other State Agencies	To Non-State Entities	Total Expended and Distributed
<b>U.S. Department of Transportation</b>									
Highway Planning and Construction Cluster									
Direct Programs:									
Highway Planning and Construction	20.205	Y			N	1,322,011,642.90	-	27,219,584.39	1,349,231,227.29
Highway Planning and Construction - Covid19/CRRSAA funds	20.205	Y			N	16,062,391.88	-	3,209,247.93	19,271,639.81
Highway Planning and Construction	20.205	Y			Y	6,225,843.65	-	-	6,225,843.65
Recreational Trails Program	20.219	Y			N	1,958,371.48	-	-	1,958,371.48
Federal Lands Access Program	20.224	Y			N	895,970.41	-	-	895,970.41
Total Highway Planning and Construction Cluster						1,347,154,220.32	-	30,428,832.32	1,377,583,052.64
Federal Transit Cluster									
Direct Programs:									
Bus and Bus Facilities Formula Program	20.526	Y			N	-	-	2,939,289.53	2,939,289.53
Total Federal Transit Cluster						-	-	2,939,289.53	2,939,289.53
Transit Services Programs Cluster									
Direct Programs:									
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	Y			N	-	-	5,199,318.30	5,199,318.30
Enhanced Mobility for Seniors and Individuals with Disabilities - Covid19/CRRSAA funds	20.513	Y			N	-	-	607,191.05	607,191.05
New Freedom Program	20.521	Y			N	-	-	21,371.50	21,371.50
Total Transit Services Programs Cluster						-	-	5,827,880.85	5,827,880.85
FMCSA Cluster									
Direct Programs:									
Motor Carrier Safety Assistance	20.218	Y			N	-	-	6,551.15	6,551.15
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	Y			N	55,215.83	-	-	55,215.83
Total FMCSA Cluster						55,215.83	-	6,551.15	61,766.98
Direct Programs:									
Airport Improvement Program (Note 1)	20.106	Y			N	18,325,176.16	-	-	18,325,176.16
Airport Improvement Program - COVID19/CARES Funds (Note 1)	20.106	Y			N	(154,294.49)	-	-	(154,294.49)
Airport Improvement Program - COVID19/CRRSAA Funds (Note 1)	20.106	Y			N	1,015,472.19	-	-	1,015,472.19
Highway Research and Development Program	20.200	Y			Y	745,764.59	-	590,737.42	1,336,502.01
Highway Training and Education	20.215	Y			N	-	-	167,793.12	167,793.12
Consolidated Rail Infrastructure and Safety Improvements	20.325	Y			N	13,634.60	-	-	13,634.60
Federal-State Partnership for Intercity Passenger Rail	20.326	Y			N	11,523,399.05	-	-	11,523,399.05
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Y			N	523,835.79	-	3,666,601.11	4,190,436.90
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Y			N	1,098,750.00	-	3,560,010.01	4,658,760.01
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/CARES Funds	20.509	Y			N	1,107,863.40	-	3,202,168.90	4,310,032.30
Formula Grants for Rural Areas and Tribal Transit Program - COVID19/CRRSAA Funds	20.509	Y			N	1,523,758.60	-	50,553,359.00	52,077,117.60
Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	20.528	Y			N	14,351.28	-	91,125.19	105,476.47
Public Transportation Innovation	20.530	Y			N	-	-	428,672.27	428,672.27
National Priority Safety Programs	20.616	N	State Police		N	62,369.84	-	-	62,369.84
National Infrastructure Investments	20.933	Y			N	4,683,826.93	-	-	4,683,826.93
Total Direct Programs						40,483,907.94	-	62,260,467.02	102,744,374.96
<b>Total U.S. Department of Transportation</b>						1,387,693,344.09	-	101,463,020.87	1,489,156,364.96
<b>U.S. Department of Health and Human Services</b>									
TANF Cluster									
Temporary Assistance for Needy Families (TANF) State Programs	93.558	N	Health and Human Services	15-99001	N	550,000.00	-	-	550,000.00
Total TANF Cluster						550,000.00	-	-	550,000.00
<b>Total U.S. Department of Health and Human Services</b>						550,000.00	-	-	550,000.00
Total Expenditures of Federal Awards						1,388,243,344.09	-	101,463,020.87	1,489,706,364.96

\* CFDA is defined as Catalog of Federal Domestic Assistance

Michigan Department of Transportation  
Schedule of Expenditures of Federal Awards  
Fiscal Year Ended September 30, 2021

						Distributed to Subrecipients			
Grantor Agency/Federal Assistance Program Title	CFDA* Program Number	Direct Award (Y/N)	Pass Through Entity	Pass- Through Entity ID Number	Research and Develop- ment (Y/N)	Directly Expended by Department	To Other State Agencies	To Non-State Entities	Total Expended and Distributed
<b>U.S. Department of Transportation</b>									
Highway Planning and Construction Cluster									
Direct Programs:									
Highway Planning and Construction	20.205	Y			N	1,167,257,310.59	-	30,237,877.18	1,197,495,187.77
Highway Planning and Construction - Covid19/CRRSAA funds	20.205	Y			N	303,296.00	-	-	303,296.00
Highway Planning and Construction	20.205	Y			Y	6,584,611.69	-	-	6,584,611.69
Recreational Trails Program	20.219	Y			N	1,986,425.96	-	-	1,986,425.96
Federal Lands Access Program	20.224	Y			N	1,434,326.82	-	-	1,434,326.82
Total Highway Planning and Construction Cluster						1,177,565,971.06	-	30,237,877.18	1,207,803,848.24
Federal Transit Cluster									
Direct Programs:									
Bus and Bus Facilities Formula Program	20.526	Y			N	82,644.88	-	2,301,289.98	2,383,934.86
Total Federal Transit Cluster						82,644.88	-	2,301,289.98	2,383,934.86
Transit Services Programs Cluster									
Direct Programs:									
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	Y			N	-	-	6,485,241.32	6,485,241.32
New Freedom Program	20.521	Y			N	-	-	37,500.00	37,500.00
Total Transit Services Programs Cluster						-	-	6,522,741.32	6,522,741.32
Direct Programs:									
Airport Improvement Program (Note 1)	20.106	Y			N	40,109,277.52	-	-	40,109,277.52
Airport Improvement Program - COVID19/CARES Funds (Note 1)	20.106	Y			N	(2,101.28)	-	-	(2,101.28)
Highway Research and Development Program	20.200	Y			Y	2,300,105.82	-	25,153.27	2,325,259.09
Highway Training and Education	20.215	Y			N	-	-	156,812.70	156,812.70
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	Y			N	51,157.21	-	5,185,262.00	5,236,419.21
Formula Grants for Rural Areas	20.509	Y			N	2,070,850.00	-	26,829,110.11	28,899,960.11
Formula Grants for Rural Areas - COVID19/CARE Funds	20.509	Y			N	436,493.42	-	27,328,191.89	27,764,685.31
Public Transportation Innovation	20.530	Y			N	-	-	13,200.00	13,200.00
Federal-State Partnership for State of Good Repair	20.326	Y			N	8,586,495.37	-	-	8,586,495.37
Capital Assistance to States - Intercity Passenger Rail Service	20.317	Y			N	(713,533.57)	-	-	(713,533.57)
National Priority Safety Programs	20.616	N	State Police		N	319,491.00	-	-	319,491.00
National Infrastructure Investments	20.933	Y			N	14,399,570.83	-	1,220,901.51	15,620,472.34
Total Direct Programs						67,557,806.32	-	60,758,631.48	128,316,437.80
<b>Total U.S. Department of Transportation</b>						1,245,206,422.26	-	99,820,539.96	1,345,026,962.22
<b>U.S. Department of Health and Human Services</b>									
TANF Cluster									
Temporary Assistance for Needy Families (TANF) State Programs	93.558	N	Health and Human Services	15-99001	N	550,000.00	-	-	550,000.00
Total TANF Cluster						550,000.00	-	-	550,000.00
<b>Total U.S. Department of Health and Human Services</b>						550,000.00	-	-	550,000.00
Total Expenditures of Federal Awards						1,245,756,422.26	-	99,820,539.96	1,345,576,962.22

\* CFDA is defined as Catalog of Federal Domestic Assistance

**MICHIGAN DEPARTMENT OF TRANSPORTATION**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FISCAL YEAR ENDING SEPTEMBER 30, 2022**

1. Federal expenditures of \$159,269,707 for the Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs (ALN 20.106) channeled to primary airports for fiscal year 2022 are not included in the SEFA. Included in this amount are Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures totaling \$15,636,435, Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) expenditures totaling \$45,384,922, and American Rescue Plan Act of 2021 expenditures totaling \$20,259,197. The Federal Aviation Administration (FAA) determined that the Michigan Department of Transportation (MDOT) has no oversight responsibility for grants to primary airports. Also, compliance with federal regulations is the responsibility of the primary airports and not MDOT. Therefore, MDOT is channeling the FAA funds to the primary airports in accordance with Public Act 327 of 1945.

MICHIGAN DEPARTMENT OF TRANSPORTATION  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
FISCAL YEAR ENDING SEPTEMBER 30, 2021

1. Federal expenditures of \$165,217,331 for the Airport Improvement Program (ALN 20.106) channeled to primary airports for fiscal year 2021 are not included in the SEFA. Included in this amount are Coronavirus Aid, Relief, and Economic Security (CARES) Act expenditures totaling \$81,522,589 and Coronavirus Response and Relief Appropriations Act of 2021 expenditures totaling \$6,529,265. The Federal Aviation Administration (FAA) determined that the Michigan Department of Transportation (MDOT) has no oversight responsibility for grants to primary airports. Also, compliance with federal regulations is the responsibility of the primary airports and not MDOT. Therefore, MDOT is channeling the FAA funds to the primary airports in accordance with Public Act 327 of 1945.



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**Providing the highest quality integrated transportation services for economic benefit and improved quality of life.**